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Socio- Economic Impact of Craft Management Strategy for the Successful Performance of Small Scale Business in Port Harcourt Metropolis, Nigeria

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SOCIO- ECONOMIC IMPACT OF CRAFT MANAGEMENT STRATEGY FOR THE SUCCESSFUL PERFORMANCE OF SMALL SCALE BUSINESS IN PORT HARCOURT METROPOLIS, NIGERIA

Strictly as per the compliance and regulations of:

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Abstract- The fact that small business need to apply management strategy in their operation has been well supported by literature, but little is known about the need to intelligently choose and apply these strategies. The objective of this study is to investigate if craft management strategy has any relationship with the successful performance of small business. This is to divorce the belief that the failure of small business in Nigeria is attributable to lack of craft management strategies. The survey design was used from which inferences were drawn about the population under study. Using a combination of Top man's formula and random sampling technique, 48 participants were drawn from the population of small business operating in Port Harcourt Metropolis. The duration of the operation of these businesses ranged from five years and above. Out of the sample size of 48, only 42 respondents properly completed and returned their questionnaires. Validation scales were used to collect data which were analyzed with Chi-square and Contingency coefficient analytical tools. Chi-square was used to test relationship in hypothesis one, while Contingency coefficient was used to ascertain the level of significance in hypothesis two. Results revealed that craft management strategy has relationship with the successful performance of small business. This relationship was found to be significant. We therefore propose that owners of small scale business should creatively and intelligently choose management strategy that would address the problem variables identified in this study. This will help them survive, grow and contribute to economic development.

Keywords: strategy, crafting, fit-driven, stretch- driven, inertia, risk-averse.

I. Introduction

The socio-economic importance of small scale business cannot be overemphasized. Stroke (1992) says that the small business sector has shown a remarkable revival and has grown more numerous, employing more people and responsible for more output in the development world. In the United Kingdom, according to Stroke the number of firms employing fewer than 200 people grew from 1.8 million in 1979 to 2.5 million by 1986, providing over half of all private sector employment. Accordingly, the total number of self employed people has also risen rapidly from 1.9 million in 1979 t0 3.4 million by 1990.

Today, there is great interest in the fortunes of the small business with all party support. The entrepreneurship programme of the federal government of Nigeria is a good example of this support and policy initiative aimed at promoting the growth of small business in recognition of their importance to the health of the economy. Against government effort in encouraging their growth, research evidence has shown that small business had continued to fail over the years. Statistics indicate that one quarter of small business fail in the first two years, and half in the first five years (Strokes).

Informed observation had shown that many of the small business operators enter into business feeling that they have what it takes to make it. Most are not conscious of the fact that small scale businesses are vulnerable to constant change which affects plans. It is reasoned that small business finds it difficult to creatively and intelligently choose and implement strategy. The growing thinking is that since the business is owned and managed by one man, his philosophy may influence decision. The shared values and belief of the owner can equally make the method of operation dogmatic, creating strategic inertia for the business to function well.

This hinges on what Strokes had said, that "one of the principal causes of failures within the controllable environment of the small business is lack of competence in choosing appropriate strategy." This may mean that choice of strategy is limited. But Pryor, Tombs and White (2013) had said "in order to ensure long-term survival and success, major change or improvement initiatives should be implemented in conjunction with the use of various management models".

Perhaps, many owners of small business have a very narrow concept of how to choose appropriate strategy that can give result. Eventually, they tend to

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wake up from slumber when rapid changes which seems to be the rule of the game sweep across their operation dramatically. Drucker (1980:45-47) applauded this observation saying:

> .*"When a business is successful is when it is most likely to have its resources allocated appropriately to things that will produce, to the goals that did challenge, to the needs that were unfulfilled. Unless challenged, every organization tends to become slack, easy going and diffuse. It tends to allocate resources by inertia and tradition rather than by results. Above all, every organization tends to avoid unpleasantness. In changing times, a business needs to be able both to outride sudden hard blows and avail itself of sudden unexpected opportunities. Most small business seems to stick in the middle i.e., when sales are declining or when it introduces a new product, when competition is rife and when the operating environment becomes more changing and challenging".*

Aluko, Badamosi, Odugbesan and Osua- gwu (1998) say that every business operates in turbulent or changing times. These changes require strategies, to formulate new strategic plans and also implement new strategies involving operation, the product or service, the customer or consumer, the markets and distribution networks among others. It is reasoned that since the challenges of business may not be the same, so is the need for different strategies. This is why plans may differ for each business in different circumstances. For instance, Lewis et al, (1995) had said that issues of competitive strategy are likely to be especially important for the small firms. Perhaps, the owners of small business do not see the need for specific strategy to match with specific situations. Could this be that they do not understand that failure with match plans according to situations may hurt their operations?

The researchers have therefore feared that lack of craft management strategy may make small business to miss performance by a significant margin. This development may impact heavily on the successful operations of small businesses, and may negatively affect socio-economic indicators and national development. It is on this backdrop that this study is designed.

a) Objectives of the Study

The general objective of this study is to ascertain if craft management strategy has any thing to do with the performance of small business. This is to divorce the belief that the failure of small business in Nigeria is attributable to lack of creative and intelligent choice of management strategy.

Specifically, this study seeks to achieve the following objectives:

i. To examine if craft management strategy has any relationship with the successful performance of small business operation in Port Harcourt Metropolis.

ii. To ascertain if there is significant relationship between craft management strategy and successful performance of small business operation in Port Harcourt Metropolis.

b) Hypotheses

Ho_1: There is no relationship between craft management strategy and successful performance of small business operation.

Ho_2: There is no significant relationship between craft management strategy and successful performance of small business operation.

c) Significance of the Study

Available literature has shown that research has been carried out in other areas of management strategy vise-a-vis small business performance (Porter, 1985). But a vacuum seems to exist in the area of intelligent choice of management strategy for small business. This study will benefit potential and practicing small business owners/managers, employees and the society in the following ways: Given the obvious but different experience encountered by small business operators, the study will trigger creative and innovative ideas that can make them remain on top of situations at all times.

This is in view of the fact that an intelligent choice of strategy will help small business match circumstance with appropriate strategy. Above all, when small business copes with the increasing challenges of the day, they will survive and grow, make profit for owners, retain their employees and contribute to economic development of the state.

II. Literature Review

a) Conceptual Framework

i. Concept of Small Business

Small businesses have been identified as catalyst for economic growth, one on which the country can build a strategy for rapid industrial transformation (kehinde and Adeguwon, 2013). Osim (2010) sees them as foundation for accelerated industrial development in an effort to achieve macro-economic objectives; full employment, income distribution, development of local technology and stimulation of indigenous entrepreneurship, mitigation of rural urban migration, support and linkage of the industrial sector by training of semi-skilled and non-skilled manpower as well as the manufacturing and supply of spare parts and raw materials to large scale industries.

Amazingly, people have wrestled with the definition of a scale business as such it has been very difficult to pin down an acceptable definition. The central bank of Nigeria (2001) defined a small scale business as one with capital investment (including land, building, machinery, equipment and working capital) not exceeding ₦250,000, and employing not more than fifty persons.

According to Stroke (1992), the 1971 Bolton committee of enquiry report on small firms defined a small business by three characteristics: (1) personalized management by its owner (2) small share of its market (3) independent ownership. It also classified them depending on the industry such as; manufacturing with 200 employees or less, construction with 25 employees or less, road transport having 5 vehicles, retailing making £50,000 per annum turnover or less and miscellaneous services £50,000 per annum or less.

Bolton report advocated support for the small business sector on the grounds that small firms have several special contributions to make as follows:

(1) An outlet for enterprising individuals who would not necessarily flourish in larger environments.
(2) The most efficient size of unit in some markets.
(3) Specialist suppliers or sub-contractor to large companies.
(4) Suppliers to specialized markets, too small for large companies.
(5) Competition to prevent monopolies.
(6) Innovators of products and services.
(7) A breeding ground for new industries.
(8) The 'seedbed' for tomorrow's large companies and their leaders.

In Nigeria, a careful observation has shown that small businesses seem to be numerous in commerce and service industry, and many of these businesses are owner managed.

ii. *Concept of Strategy*

The term strategy itself is subject to multiple understandings and definitions. Strategy means plans ahead of time. Thompson, Strickland and Gamble (2007) defined strategy as management action plan for running the business and conducting operations. Strategy deals not just with the unpredictable but also with the unknowable (Mintzberg and Quinn, 1991).

For Aluko, Badamosi, Odugbesan and Osuagwu (1998), strategies are plans to carry out values and performance objectives of a company, the art of using organizational resources for the goals defined by the organization with minimum risk. Strategy could be described as a long-term commitment of resources to achieve a specified goal in a competitive environment. It is a firm's conception of how best its objectives can be achieved in face of competition, changing resources, and changing environment. It deals with the generation and alignment of programs to meet predetermined goals.

Strategy can be described as the identification of the purpose of the organization and the plans and actions to achieve that purpose. Strategy determines the direction and focus of an organization. Lynch (2006) sees it as all about finding market opportunities, experimenting and developing competitive advantage over time, the linking process between the management of the organization's internal resources and its external relationships with its customers, suppliers, competitors and the economic and social environment in which it exists.

Strategy requires marshalling resources for definite missions, planning alternative strategies in anticipation of changing contingences, and creating flexible conditions in structure and employee attitudes so that positions can be altered advantageously. The organization develops these relationships from its abilities and resources. Hence, the organization uses its history, resources, knowledge and various concepts to explore its future actions.

Many small business owners misconceive strategy for tactics but Weihrich and Koontz (2005) explained that the action plans through which strategies are executed are known as tactics. They maintained that strategies must be supported by effective tactics. Mintzberg and Quinn, (1991) noted that the essence of strategy is to build a posture that organization can achieve its goals despite the unforeseeable ways external variables may actually interact.

Aluko et al are of the opinion that strategy helps to make fundamental decision about the future direction of an organization, its purpose, its resources and how it interacts with the world it operates. Porter (1985) says that the "understanding of strategy is not exclusive to any level or cadre of managers; it involves every one who has responsibility over men and materials, existing market, market-share, or customers, consumers or clientele".

iii. *Strategy Crafting*

Thompson, Strickland and Gamble (2007) state that crafting of a strategy is a managerial commitment to pursue a particular set of actions in growing the business, attracting and pleasing customers, competing successfully, conducting operations and improving the company's financial and market performance. This is to say that crafting a strategy involves creativity and intelligent choice of the 'hows' of an organization.

The 'hows' are explained by Thompson et al ibid as: how management will grow the business, how it will build a loyal clientele and outcompete rivals, how each functional pieces of the business (research and development, supply chain activities, production, sales and marketing, distribution, finance and human resources) will be operated, how performance will be boosted.

Smith, Grimm and Gannon (1992) suggest that before choosing a strategy the environment of business must be assessed and the strategy evaluated. The effectiveness of each strategy is contingent on the

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opportunities and threats that exist in a firm's external environment and the possibilities permitted by firm's unique resources, capabilities, and core competencies. This hinges on what Weihrich and Koontz (2005:127) had said, that:

> *present and future external environment must be assessed in terms of threats and opportunities. The evaluation focuses on the competitive situation as well as on economic, social, political, legal, demographic, and geographical factors. The environment is scanned also for technological developments, for products and services on the market, and for other pertinent factors in determining the competitive situation of the enterprise. Similarly, the firms' internal event should be audited and evaluated with respect to its resources and its weaknesses and strengths in research and development, production, operation, procurement, marketing, products, and services. Other internal factors important for formulating strategy such as human and financial resources, company image, organization structure and climate, planning and control system and relation with customers should be assessed.*

Drucker (1980) reasoned along the same line when he said "any business needs to know its strengths and to base its strategy on them". Aluko, Badamosi, Odugbesan, and Osuagwu listed the criteria for evaluating strategy as:

(i) Strategy must be ethical
(ii) It must be workable
(iii) It must have adequate line horizon
(iv) It must be explicit for evaluation and implementation
(v) It must have acceptable risk level
(vi) It must be appropriate in view of the available resources and capabilities
(vii) It must be consistent with the internal and external environment.
(viii) Strategy must not conflict with police

b) *Review of Related Literature*

Drucker (1974) opines that managers must manage change, for change is an opportunity and a threat, insisting that effective management of change requires changing strategy. Porter suggests that the formulation of a strategy requires the evaluation of the attractiveness of an industry and external environment.

However, Weihrich and Koontz had warned that some profitable opportunities may not be pursued because failure in a risky venture could result to bankruptcy of the firm and advised that strategic choice must be considered in light of the risk involved. Another critical element in choosing a strategy according to them is time. They insisted that even the best product may fail if it is introduced to the market at an inappropriate time.

The reaction of competitors must be taken into consideration for instance, when IBM reduced the price of its personal computer in reaction to the success of Apple's Macintosh computer, firms producing IBM-compatible computers had little choice but to reduce their prices as well. This illustrates the interconnection of the strategies of firms in the industry. But Porter maintains that the focus should be on the kind of competition within an industry, the possibility of new firms entering the market, the availability of substitute products or services and the bargaining position of the suppliers as well as the buyers or customers.

According to porter, firms competing for positions in the industry choose from among generic business-level strategies in order to establish and exploit a competitive advantage within a particular competitive scope.

Hitt, Ireland and Hoskisson (2001), Weihrich and Koontz, Thompson et al, and Porter identified generic or specific strategies applicable in a variety of industries. These are: cost leadership, differentiation, focused cost leadership, and focused differentiation or focus on market segment. A cost leadership strategy is an intelligent set of actions designed to produce or delver goods or services at the lowest cost relative to that of competitors, with features that are acceptable to customers (Lower cost than rivals, or the ability to differentiate and command a premium price that exceeds the extra cost of doing so).

Achieving lower costs helps rivals improve their performance and market standing. Having lower cost than rivals derives from the firm's ability to perform activities differently than rivals; being able to differentiate indicates a capacity to perform different activities. Cost leadership in the industry is achieved through economies of scale.

Differentiation is supplying a product or service that will be perceived by the customer as different or somehow unique; Organizations that pursue differentiation strategy compete by offering products or services that are differentiated from those of their competitors in some way. The organization charges a higher price based on the differentiated product or service features which may include: exceptional customer service, quality depend ability, availability, innovation or image or pursues product superiority or personalized-customer service or the development of competencies and capabilities that rivals cannot match. Some target the higher end of the market, while others go after the middle or low end. For example, Toyota of Japan- the producer of Lexus and Associated Bus Company (ABC Transport) of Nigeria, are good examples of organizations that adopt differentiation strategy.

Focus is concentrating on serving a particular target group, segment, or market niche. A focus strategy occurs when an organization targets a specific, narrow segment of the market and thereby avoids competing with other organizations that target a broader segment of the market.

Some competitors position themselves in only one part of the industry's chain of production/distribution activities (preferring to be just in manufacturing or wholesale distribution or retailing), concentrating their energies on a narrow product lineup or decide to operate in only one industry, For instance, Korean Hyundai specialized or concentrated by producing lower priced cars.

Companies that pursue a focus strategy may compete in their niche market with either a cost leadership or a differentiation strategy. The focus strategy is supported by Drucker (1980:43-45) who said conceivably that:

> *resources can be productive only if they are concentrated; Fragmentation inhibits results and suggested that concentration strategy may be suitable to small businesses that are operating in a single market or a limited number of markets, probably with a limited range of products or services. He shads light that concentration of resources on results also requires a systematic commitment to "corporate weight control" or the abandonment of one less promising or less productive effort for every new effort taken on. A new activity or effort in a staff should not be sanctioned unless an old and less productive one is being sloughed off.*

According to him, "feed the opportunity and starve the problem is the rule".

There are other strategies which organizations might consider. The basic types according to Perrault and McCarthy (2002), Johnson and scholes (1999) are:

(1) Market penetration means trying to increase sales of a firm's present products in its present markets – probably through a more aggressive marketing mix. Market Development means trying to increase sales by selling present product in new market. This may involve searching for new uses for a product,
(2) Product development means offering new or improved products for present markets. Product development entails innovation that can be driven in two broad ways: the processes of "fit" and "Stretch". Fit–driven innovation requires high–quality information about changing customer needs and the creativity to know how to better provide for these needs. Stretch-driven innovation requires resources and competences of the organization (particularly people, technologies and business processes) can be exploited to create new products and market opportunities.
(3) Diversification means moving into totally different lines of business – perhaps entirely unfamiliar products, market or even levels in the production marketing system. This involves direction of operation which takes the organization away from its present markets and its present products at the same time i.e. extending the operation into new and profitable markets, opt for wide product lines, engaging broadly or narrowly into related or unrelated industries, via acquisition, joint ventures, strategic alliances or internal start ups e.g. General Motors which has a complete product line ranging from inexpensive to luxury cars and Japanese Sony corporation, which manufactures a variety of products like television video audio, information technology products etc (Weihrich and Koontz).
(4) Consolidation is concerned with protecting and strengthening the organization's position in its current markets through its current products. Consolidation does not mean standing still. It requires considerable innovation to improve the value for money of the organization's current products or services.
(5) Vertical integration or up stream vertical integration is when a firm is producing its own inputs or raw materials.
(6) Forward or down stream vertical integration is when a firm is involved in disposing of its outputs (Ahungwar, 2007).
(7) Acquisition is where an organization develops its resources and competences by taking over another organization.
(8) Merger; occurs when organizations come together voluntarily. This is likely to be because they are actively seeking synergistic benefits. A good example of organizations that adopted this strategy is Daimler in Stuttgart of Germany and Chrysler of Detroit in United States of America (Weihrich and Koontz).
(9) Retrenchment strategy is by controlling its operation temporarily
(10) Withdrawal or Liquidation strategy is by terminating an unprofitable business or even dissolving the firm. A company may withdraw completely or partly when the organization is unable to secure the resources or achieve the competence levels of the leaders in the market overall or the niches or segments of the market.

Business may pursue other kinds of strategies; some are partially or fully integrated with operations to local or regional markets, some opt to compete nationally, internationally or globally (Weihrich and Koontz). Thompson et al suggest that if a company wants to gain sales and market share at the expense of competitor, it should opt for offensive strategies; frequent launching fresh initiatives of one kind or another to make the company's product offering more distinctive and appealing to buyers. They stressed that a strategy stands a better chance of succeeding when its is predicted on actions, business approaches and competitive moves aimed at (1) appealing to buyers in ways that set a company apart from rivals (2) carving out its own market position. Simply coping what successful companies in the industry are doing and trying to mimic their market position rarely works they reported.

Risk-averse companies often prefer conservative strategies, preferring to follow the successful moves of pioneering companies whose managers are more entrepreneurial and willing to take the risks of being first to make a bold and perhaps pivotal moves that reshapes the contest among market rivals (Thompson et al).

While Smith, Grimm and Gannon (1992) assert that non of the business-level strategies is inherently or universally superior to the other, Thompson et al, opine that companies have considerable freedom in choosing the 'hows' of strategy as there is no shortage of opportunity to fashion a strategy that both tightly fits a company's own particular situation and is discernibly different from the strategies of rivals. They noted that an opportunity that is attractive for one firm may not be attractive for another.

Attractive opportunities for a particular firm are those that the firm has some chance of doing something about – given its resources and objectives. This may have triggered Drucker (1980:43) to say:

> *In turbulent times, any organization - needs to control the assignment of its resources. It needs to think through where the results are likely to be. It needs to know the performing and productive resources within itself, and especially the performing and productive people. Organized, continuous, disciplined efforts are needed to commit these resources to actual and potential results.*

Successful strategies get their start when a creative manager spots an attractive business opportunity and intelligently selects strategy to match such opportunities within the firm's resources. Even if a manager cannot find a breakthrough opportunity, the firm should try to obtain a competitive advantage to increase its chance for profit or survival. Competitive advantage means the firm has a marketing mix that the target market sees as better than a competitor's mix.

A competitive advantage may result from efforts in different areas of the firm – cost cutting in productions, innovation, research and development more effective purchasing of needed components, or financing for a new distribution facility. Similarly, a strong sales force, a well known brand name, or good dealer may give it a competitive advantage in pursuing an opportunity. Whatever the source, an advantage only succeeds if it allows the firm to provide superior value and satisfy customers better than some competitor.

Boone & Kurtz (1982) said that the private enterprise system requires firms to continually adjust their strategies, product offering, service standards, operating procedures, and the likes. According to Lynch (2006), every organization has to manage its strategies in three main areas:

(1) The organization's internal resources
(2) The external environment within which the organization operates
(3) The organization's ability to add value to what it does

c) Theoretical Framework

The study hinges on the theory of managerial excellence orientation presented by Thomas Peters and Robert Waterman (1982). According to Jaja and Zeb-Opibi (1999) the main assumption of this theory is that "certain excellent" companies; those with a long-term history of success, do things in a systematic fashion that sets them apart from others. This is to say, successful performance of small business entails intelligent selection of management strategy that makes their operations unique in the eyes of others.

III. Method

a) Sampling Technique

This study adopted a combination of Top man's formula and the systematic random sampling technique. The Top man's formula was used to determine the sample size from infinite population at first instance, and systematic random sampling used to further bring the sample to a more manageable size. The small businesses selected were in operation in Port Harcourt Local Government Area since five years back. It is expected that these business should have had challenges within the period under review which necessitated carefully thought plans.

To achieve this, a pilot survey was carried out. 60 small businesses were randomly chosen and their owners made to understand the meaning of a craft management strategy. They were asked to agree or disagree with the question, 'do you like craft management strategy? Out of the 60 respondents, 45 agreed while 15 disagreed. These responses were used to determine the proportions; 'p and q' as shown below.

Top man's formula

$n = \frac{ze^2 pq}{e^2}$ ……………………….. Equation (1)

Proportion of responses (agreed and disagreed)

Agreed is 45/60. Therefore, p=0.75

Disagreed is 15/60. Therefore, q=0.25

By substituting in equation (1), using 'z' as 90% or 1.96 and 'e' as 5% or 0.05

$n = \frac{1.96^2 0.75 \times 0.25}{0.05^2}$,

$n = \frac{3.8416 \times 0.1875}{0.0025}$,

$n = \frac{0.7203}{0.0025}$,

n= 288 approximately.

This computed sample size (288), was further made more manageable by systematically selecting only 48 which served as the sample size of the study.

b) Sources and Method of Data Collection

The questionnaire was the major instrument employed for the collection of data, although face to face interview was used during the pilot test to ascertain sample size from infinite population. The questionnaire was simplified with validated scales to enhance the collection of data on the variables of interest. It contained a brief explanation of the meaning of a craft management strategy to enhance the understanding of the concept by respondents. The questionnaires were distributed to respondents for completion and were retrieved three days after.

i. *Data Analysis and Test Statistic*

Data were collated, presented on contingency tables and analyzed using Chi-square for hypothesis one, and Contingency coefficient to test hypothesis two. Out of the 48 questionnaires distributed, only 42 were properly completed, this gave a response rate of 87.5%.

Test of Hypothesis One:

Table 1 : Shows Response for the Measured Dimension, 'does craft management strategy has any relationship with successful performance of small business?

Option	Score for Responses (observed frequency(O)/ Expected frequency (E)	
Strongly Agree	28	(18.66)
Agree	12	(3.42)
Disagree	2	(9.52)
Total Score	42	(31.6)

Expected frequency was calculated for each of the cells from this contingency table. The Row and Column total (v) were calculated using the formula; v= (r-1) (c-1)…… Equation (2)

Substituting in equation (2) for r and c, v= (1-1) (3-1) = 2. Therefore at 10% or 0.01significant level, we have xt2= 0.01,2.

According to Osuala (2001) Chi-square ($X^{2)}$ $=\sum\left(\frac{0-E}{E}\right)$…………..Equation (3)

Substituting in equation (3) for O and E, ($X^{2)}$ $=\sum\left(\frac{0-E}{E}\right)$

$$\sum\left(\frac{28-18.66}{18.66}\right)+\sum\left(\frac{12-3.42}{3.42}\right)+\sum\left(\frac{22-9.52}{9.52}\right)$$

$X^2 =$ 4.67 + 21.5 + 5.9 = 32.1.

Therefore computed value (X^{2C}) = 32.1

Test of Hypothsis Two:

Table 2 : Shows Response for the Measured Dimension, 'what level of significance do you think craft management strategy has with successful performance of small business?

Option	Score for Responses (observed frequency(O)/ Expected frequency (E)	
Highly Significant	24	(13.7)
Significant	13	(4.02)
Not Significant	5	(5.9)
Total Score	42	(23.62)

Expected frequency was calculated for each of the cells from this contingency table. The Row and Column total (v) were calculated using the formula; v= (r-1) (c-1)…… Equation (4)

Substituting in equation (2) for r and c, v= (1-1) (3-1) = 2. Therefore at 10% or 0.01significant level, we have xt2= 0.01,2.

According to Osuala (2001) Chi-square ($X^{2)}$ $=\sum\left(\frac{0-E}{E}\right)$…………..Equation (5)

Substituting in equation (3) for O and E, (X^2) $=\sum\left(\frac{0-E}{E}\right)$

$$\sum\left(\frac{24-13.7}{13.7}\right)+\sum\left(\frac{13-4.02}{4.02}\right)+\sum\left(\frac{5-5.9}{5.9.}\right)$$

$X^2 =$ 7.74 + 20.05 + 1.3 = 29.17.

Therefore computed value (X^{2C}) = 29.17

Therefore to ascertain the level of significance, the contingency coefficient (C) was used. According to Osuala (2001), contingency coefficient formula is given as: $\frac{\sqrt{x\quad 2}}{N+x2}$………………………… Equation (6)

Where (X^2 is computed value of chi-square in equation (5) and N is total of observed frequency

Substituting in the formula for C, $\frac{\sqrt{29;17\quad 2}}{42+29.17x2}$

$$c = \frac{\sqrt{29;17\quad 2}}{71.17}$$

$$C = \sqrt{4098}$$

C = 2.02.

c) Decision Rule

At 10% level of significance and 2 degrees of freedom (0.01,2), reject null hypotheses if calculated value (X2c) is greater than table value (X2t), i.e, reject Ho if X2c > X2t, or otherwise.

IV. Result

Recap of formulated null hypotheses:

Ho_1: There is no relationship between craft management strategy and successful performance of small business operation.

Ho_2: There is no significant relationship between craft management strategy and successful performance of small business operation.

Test of hypothesis one indicates that calculated value (32.1) is greater than table value (0.0201), we reject null hypothesis and accept the alternative.

Test of hypothesis two shows that calculated value (2.02) is greater than table value (0.0201), we reject null hypothesis and accept the alternative.

V. Discussion of Findings, Conclusion and Recommendation

The result of the test of hypothesis one (Ho1) depicts that there is relationship between craft management strategy and successful performance of small business operation. This is to say that craft management strategy is very useful for small businesses operation. Empirical evidence supports this finding, for example, that private enterprise system requires firms to continually adjust their strategies, product offering, service standards, operating procedures, and the likes (Boone & Kurtz 1982).

In consonance with this result also are the findings of Perrault and McCarthy (2002), Johnson and scholes (1999), Thompson et al (2007), Hitt et al, (2001), Weihrich and Koontz, (2005) and Porter (1985). Their sub-summed findings reported that firms can do the following to keep themselves apart from others: provide more or different features, better product performance, higher quantity, stronger brand image and appeal, wider selection of models and styles, bigger/ better dealer network. Low interest financing, higher levels of advertising, stronger product innovation capabilities, better customer services capabilities, stronger capability to provide buyers with customer made products.

This study's analysis of hypothesis two (Ho2), has confirmed that there is significant relationship between craft management strategy and successful performance of small business operation. Studies in support of this finding are that of: Thomas J. Peters and Robert H. Waterman, Jr. (1982) in Jaja and Zeb-Opibi (1999) which said that certain "excellent" companies; those with a long-term history of success, do things in a systematic fashion that sets them apart from others. That of Lewis et al, (1995) who said that "issues of competitive strategy are likely to be especially important for the small firms".

In addition, Thompson, et al (2007) reported that crafting of a strategy is a managerial commitment to pursue a particular set of actions in growing the business, attracting and pleasing customers, competing successfully, conducting operations and improving the company's financial and market performance.

These research findings have shown profound need for careful choice of strategy. Based on the findings and discussion, we therefore recommend that practicing and potential small scale business owners should creatively and intelligently choose management strategy that can make their operations unique, this will help them to achieve successful performance and socio-economically contribute to the well being of the nation.

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