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**Strategic Management Practice for Small and Medium-sized Enterprises in
Tamil Nadu: Empirical Evidence**

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ABSTRACT

The survival rate of SMEs and consequently their business performance within the current competitive environment are essential for the economic development of most economies, particularly for developing countries. For this study, the secondary sources supported to supply an in-depth literature study and to postulate the hypotheses. The first source for data was surveyed instrument (questionnaire method) and snowball sampling technique was used to collect data through referral-chain. The sensible implications are that SMEs management and manager need to strengthen the formal strategic planning and practices so as to reinforce the firm's performance. Furthermore, appropriate business growth plan should be considered as a management tool to extend their market share and growth. The most contributions of this study are that it adds to the prevailing literature review and analyzed various dimensions of strategic planning and management practices within the context. Strategic management practices ask a series of designing steps that support firms or corporations to define their mission, vision, goals, and objectives also as support in analysis the environmental. Thus, it are often implied that strategic management practices integrate the objectives and policies of the firm, and therefore the sequence of business decision-making and action is comprehensible as an entire, where the management and managers play a crucial role in strategic management practices and planning. Small and Medium-sized Enterprises (SMEs) plays a crucial role within the world's economies, as they create jobs and add value via innovation. However, the contributions and performance may vary from one firm to a different within sectors, country, and nations. For this study, the secondary sources supported to supply an in-depth literature study and to postulate the hypotheses. The first source for data was surveyed instrument (questionnaire method) and snowball sampling technique was used to collect data through referral-chain. The most purpose of this study is to further investigate if strategic management practices through the resource-based approach are often used to enhance a firm's performance within the Tamilnadu SMEs context.

Keywords: *Small-medium enterprises; Strategic management practices; Intensity of competition; Market environment.*

1.0 Introduction

Studies have indicated that SMEs (Small-Medium Enterprises) completing the characterization that's contingent upon the nation's classification and therefore the before the span of the ventures are often classified counting on the amount of employees and the level of investment [1]. Thus, it are often implied that there's no universal definition of SMEs, and it's

going to differ from one country to a different. As an example, in light of the North American Industry Arrangement Framework "NAICS" created by the U.S., Mexico & Canada within the US, SME definition may change supported the character of the industry. Furthermore, the U.S. Private Venture organization (SBA) provides an independent company to estimate its measure in coordinated to the NAICS codes, if they have to be viewed as a personal company [2]. On another

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hand, the Canadian government the term SME is characterized because the private venture is that the one that has but 100 representatives (if the business may be a product creating business) or but 50 workers (if the business is an administration-based business). A firm that features a greater number of representatives than these types yet but 500 workers are termed as a medium-sized business [3]. Furthermore, studies have indicated that a small-scale business is characterized as a business with but five employees [4]. Few studies argued that under the past definition, the amount of representatives was the most criteria won't to characterize a corporation as a touch or medium undertaking. As an example, within the EU a comparative framework is employed to characterize little to medium ventures, where the business with a headcount of but 250 is known as medium-sized; a business with a headcount of but 50 is delegated little, and a business with a headcount of but 10 is viewed as a small-scale business [5]. Similar are often found in Tamilnadu.

1.1 SMEs: Role, barriers and challenges

Studies have shown that the tiny and medium-sized companies or enterprises have nearly by definition fewer assets than bigger companies. But SMEs have capacities like innovation capabilities, speed, and adaptability at work, however, these enable them to misuse certain open doors quicker and more adequately success rates are lesser in such firms found out [6]. for instance , in Canada, small and medium organizations makeup to about 98.2% of all organizations have under 100 workers and that they drive the economy to grow [7]. Thus, SMEs prosperity is important to the prosperity of any economy. Studies have argued that SMEs are considered to be a predominant factor, which can contribute to the value of the country [8]. Studies have shown that SMEs are regularly given motivations and progressively treatment and it depends upon the nations/governments to utilize them and wish to develop scope strategies to support the event of SMEs [9]. Furthermore, studies have shown that SMEs plays a big role within the world's economies since they support economics in creating jobs and add value through

innovation and merchandise development [10]. But the SMEs contributions and performance may differ from one company to a different and/or within sectors and countries. Thus, it are often seen that government, particularly in developing countries, got to initiatives to encourage entrepreneurial activities.

Additionally, studies have SMEs face various challenges and barriers for instance shortage of trained worker and limited use of strategies [11] and inadequate resources and capability [12]. Few studies have conferred that with increasing levels of competition and locus of control within top management have let to greater challenges for SMEs to grow [13]. In another study, the authors have discussed that restricted access to finance and capital has forced some small business to shut and find other sources of income [14]. Moreover, the shortage of data and knowledge and restricted resources and capabilities are often considered because the characteristic feature of SMEs. These authors have suggested that the firm has developed build various corporate and business level strategies also as adopt strategic management practices like strategic planning. This may support them foresee the scope of higher business and organizational performance. Thus, it are often implied that firms (particularly SMEs) got to have sufficient resources and capabilities which help them to grow much faster and gain a competitive advantage within the market [15].

1.2 Strategic management practice and planning: Concept and importance

The strategic plan may be a blueprint of steps arranged with the goals of the whole firm by and enormous as a top need, instead of with the destinations of specific divisions or workplaces within the firm [16] (Yang, 2018). a technique are often characterized as a move made by the senior administration of a firm, after the assets, abilities and natural dangers of the firm are considered [17]. Authors have discussed that firms incorporate the measures taken to offer a far-reaching picture of what must be practiced and during which request, including the way to affect a system fit achieving the overall goals [18] (Beaver, and Hutchings, 2005). Besides, in some cases, supervisors utilize the terms strategic

management, strategic plans, and long-extend arranging tradable. At long last, some of the expressions is employed reciprocally with strategic management are technique and strategy detailing, and business approach [19]. Strategic planning is usually utilized as a tool within the board with which to approach the topic of methodology definition [20].

Studies have shown that strategic management practices like strategic planning and methods like cost leadership and differentiation will support the firms to allocate the requirement [21]. But authors have discussed that for this firms must gather information, conceptualize, present, and strategize for erratic elective future circumstances, assess them and find out answers to key inquiries concerning the real and wanted the position of the firm [22]. The accompanying articulations fill in as various functional meanings of strategic management which are as follows

- The strategic management is that the way toward handling the search for the hierarchical mission while handling the connection of the association to its condition [23]
- Strategic management is characterized because the arrangement of choices and activities bringing about the plan and usage of methodologies intended to accomplish the targets of the association [24]
- Strategic management is that the way toward watching both present and future conditions, detailing the association's targets, and making, executing, and controlling choices targeting accomplishing these goals within the present and future situations [25]
- Strategic management may be a ceaseless procedure that has endeavours to match or fit the association with its changing condition within the most worthwhile manner conceivable [26]

Many authors have discussed the importance of strategic planning and management practices and conferred that detailed outlines on key areas of developments which the organizations got to think of to develop plan are associated with human resource, marketing strategies/goals, product innovation/development, innovation, and technological advancement and develop organizational capabilities. Thus, are often implied that strategic management practices and planning

are important, and it's often characterized by developing different levels of organizational capabilities. Strategic management practices can influence the interior factors of the firms and support to arrange and coordinate procedures including future strategic choices to possess a positive influence on firms' performance.

1.3 Theoretical approach towards strategic management practices

A strategy are often characterized because the assurance of the essential long-term objectives and goals of the firm and therefore the before the reception of the strategies and the portion of assets important for executing the objectives [27]. Moreover, the strategy comprises of the components of focused moves and business approaches that supervisors utilize to satisfy clients contend effectively, direct tasks and attain authoritative targets [28]. Thus, strategy as a strategy of a manager expansive scale, future situated arrangement for associating with the focused condition to reinforce the accomplishment of authoritative targets. These definitions demonstrate that a system is that the best administration duty and it overarches each region of a corporation tasks [29]. Therefore, a classic firm normally considers mainly three categories of strategy, which as follows.

- First on the chain of command may be a corporate system which portrays an association's general bearing as far as its general demeanour toward development and therefore the administration of its different organizations and merchandise offerings. It guarantees security, retrenchment, and development.
- Secondly may be a business methodology which manages the development of the aggressive position of organization items or administrations within the particular business or market section served by the association's specialty unit. A business procedure are often either cooperative or competitive strategies.
- Most minimal on the chain of command is that the functional strategy, concerned with nurturing and developing a singular capability to supply a business unit or corporate with a competitive advantage. Practical strategies within a search and development department

are technological followership “copy the products of other firms” or technological leadership “frontier an innovation”. Subsequently, to optimize performance, a firm should utilize all of the three sorts of strategy at an equivalent time.

The aim of this study is to further investigate if strategic management practices through the resource-based approach are often wont to enhance a firm’s performance within the Tamilnadu SMEs context. Thus, the precise objectives of the study are: [1] to know the intensity of competition, market environment, and strategic management practices within SMEs in Tamilnadu context.

2.0 Research Methods

In Tamilnadu, two districts viz. Coimbatore and Thiruppur were carefully chosen to urge data and snowball sampling technique was employed by the researcher to pick the samples. This sampling technique was used because it helped research to gather data through a referral-chain. Authors have conferred snowball sampling method helps the researcher to “gather data during a cost-effective manner also as complete the gathering of knowledge during a shorter period of your time. The snowballing sampling technique was effective because an initially small group of SMEs was approached through business incubators and other SMEs training institutions. These small groups of SMEs nominated their data source to circulate the survey instrument via email and/or text of the questionnaire. This enabled the researcher to use the snowball technique in an efficient manner. The pattern of snowball sampling is analogous to exponential non-discriminative snowball sampling, where the primary sample provides multiple referrals and this chain of primary data was applied to get the acceptable sample was achieved (it took around one month to gather the specified sample size of 100 plus).

However, one the main challenge within the initial stages of knowledge collection was that few referral people weren’t available thanks to either closure of business or out of the country. Thus, to mitigate this issue the researcher first had

telephonic conversion to verify their participation within the survey. The sample size are often determined supported the margin of error, the arrogance level, the reliability of collected data, and therefore the probability that a margin error set is correct, therefore the research takes under consideration the quality deviation which they assume to urge within the data. To work out the extent of margin error, the sample size is split by root and multiplied by 100 to urge the share. The secondary data was collected through a web database, strategic management and SMEs related textbooks, magazines, newspapers, journal articles and dissertation with similar research topic (strategic management practice and its impact on the firm’s performance). The secondary data helped the researcher to know the theories and empirical studies on strategic management-performance of SMEs, particularly the resource-based approach and various organizational capabilities also as supported to assess the prevailing research gap. This study is quantified to look at the strategic management practice and its influence on SMEs performance within the Tamilnadu context, the researcher felt the necessity to gather primary data. For this study quantitative method is employed, earlier within the proposal, it had been suggested the first are going to be collected through a mixed method (quantitative and qualitative). However, thanks to time constrain the most source of primary data is restricted to quantitative aspects. The quantitative method was applied to quantify the influence on strategies on performance.

As discussed within the previous section the info was collected through questionnaire method. The questionnaire was initially distributed through little group of SMEs in hardcopy and supported referral-chain developed the questionnaire was circulated through email. Before sending an email, the question statements were entered through google drive, this supports the researcher to gather data from SMEs who are within the districts of Coimbatore and Thiruppur. The measurement of the size used for question statement appearing in section B to E was Likert-like scale, ranging strongly agree (5) to strongly disagree (1). the info obtained through quantitative method are often analyzed by applying statistical

methods like correlation, regression, t-test then on.

3.0 Results and Discussion

Descriptive statistics were conducted to answer research question what’s the intensity of competition, market environment, and strategic management practices is found within SMEs in Tamilnadu.

Intensity of competition: Modern firms face business challenges mainly thanks to the increased level of competition altogether spheres of business. to know the extent of intensity of competition the frequency percentage, mean and variance (SD) results on the response received from the respondents about the intensity of competition associated with their firm’s sector was conducted and Table 1 provides a summary of results.

Table 1: Intensity of Competition

Variable	Statement	Mean	SD	Response Frequency %	
Intensity of Competition	Increased number of major competitors	3.8824	.94706	Agreed:71% Not sure: 22%	
	Competitors offer package deals to customers	3.8137	.94114	Agreed:70% Not sure: 20%	
	Often new products/service is introduced in the industry	3.9804	.94377	Agreed:75% Not sure:16%	
	Price changes are high	3.9902	.99000	Agreed:72% Not sure: 20%	
	Most of the firms have access to the same marketing channels	3.9020	.91748	Agreed:71% Not sure:20%	
	Government regulations often changes	3.9216	.96150	Agreed:73% Not sure:18%	
	N = 102				
	Data Source: Field survey				

Table 1 indicated that the bulk (on average 70%) of the respondents have agreed that the extent of competition in their respective industry is high. The mean indicated that the majority of the respondents perceived that the costs changes are common (mean value adequate to 3.99) and

responded that firms need to often face challenges thanks to new products/services (mean value = 3.990) and sometimes changes in government regulations (mean value adequate to 3.9216). Thus, from the table summary, it are often implied that SMEs in Tamilnadu face challenges thanks to the threats of a replacement entrance and also thanks to external factors like legal factors. Furthermore, the frequency percentage also indicates that around 20% of the respondents aren’t sure about the intensity of competition. Market environment: The market characteristics of the firm are often determined supported maker environment. to know the market environment the frequency percentage, mean and variance (SD) was conducted and Table 2 provides a summary of results.

Table 2: Market Environment

Variable	Statement	Mean	SD	Response Frequency %
Market Environ ment	Often there are changes in customer needs and/or market demand	3.9314	.93618	Agreed:70% Not sure: 23%
	Often market structure changes	3.6863	.91175	Agreed:71% Not sure: 29%
	Often technology changes	3.7157	1.06592	Agreed:66% Not sure:15%
	The social, political & cultural changes have a great impact	3.5882	1.05636	Agreed: 53% Not sure: 31%
	The bargaining power of suppliers is high	3.9216	1.05948	Agreed:66% Not sure:21%
	The bargaining power of customers is high	3.7843	.94006	Agreed:62% Not sure:18%
	Products can be differentiated	3.8039	.91239	Agreed:61% Not sure: 32%
	N = 102			
Data Source: Field Survey				

The table 2 the mean indicated that the majority of the respondents perceived that the changes in nature of customer need and market demand are common (mean value adequate to 3.93) and responded that firms need to often face challenges high bargaining power of the suppliers (mean value = 3.9216) and merchandise

differentiation is feasible (mean value adequate to 3.8039). Thus, from the table summary, it are often implied that SMEs’ market environment brings threats to the firms due changing nature of market demand and therefore the bargaining power of suppliers are high. Furthermore, the frequency percentage also indicates that on the average around 25% of the respondents aren’t sure about the market environment of their industry.

[a] Strategic management practices: The strategic management practices of the firms indicate the interior characteristics and for this study as discussed in chapter 3 the strategic planning, locus of control, low-cost and merchandise differentiation (business-level) strategies were examined by conducting mean and std. deviation. The summary of the results presented in Table 3.

Table 3: Strategic Management Practices

Variabes	Categories	Mean Statistic	SD
Strategic Management Practices	Strategic Planning	3.797	0.649
	Locus of Control	3.843	0.679
	Differentiation Strategy	3.962	0.558
	Low-Cost Strategy	4.004	0.592
Overall Strategic Management Practice		3.902	0.522
N = 102			
Data Source: Field Study 2019			

Table 3 the mean indicated that the majority of the respondents perceived that their firm adopts low-cost strategy (mean value adequate to 4.004) and differentiation strategy (mean = 3.962). The respondents also responded that the locus of control is large with management and therefore the manager (mean value adequate to 3.843). Thus, from the table summary, it are often implied that the majority of the respondents’ firm adopt business-level strategies to compete within the market and locus of control is within management and managers of the organization. The general strategic management practices computed a mean (3.902) indicated that the majority of the respondents agreed that their firm involves

strategic management practices to compete in markets.

[b] Strategic planning and SMEs performance: To answer the questions what effect does the strategic planning wear firm performance in Tamilnadu SMEs context? The correlation and paired sample test was conducted to know if there are any significant differences between the variables (strategic planning and firm performance). Table 4 provides the summary results of correlation and paired sample test.

Table 4: Summary of Correlation and Paired Sample Test Results

	Variables	Paired Correlation		Paired Differences				Paired sample test values	
		Correlation	Sig. **	Mean	SD	95% Confidence Interval of the Difference Lower	Upper	t	Sig. **
Pair 1	SP & OP	.624	.000	-.0310	.5485	-.1387	.0767	-.572	.569
Pair 2	SP & Fin	.623	.000	.0049	.5695	-.1069	.1167	.087	.931
Pair 3	SP & FP	.664	.000	-.0130	.5135	-.1139	.0878	-.257	.798
Strategic Planning (SP), Operational Performance (OP), Financial Performance (Fin) , SMEs’ Performance (FP).									
N=102, df=101, **. Correlation is significant at the 0.01 level (2-tailed).									
Data Source: Field Study 2019									

The summary results of the paired correlation shown in Table 4 indicated that strategic planning and every one dimensions of firm performance (operational and financial performance) have a big relationship. The correlation value was above .500 which suggests that strategic planning features a positive effect on the firm performance within the SMEs Tamilnadu context. Furthermore, the paired sample test results indicated there’s no significant difference among the respondent’s perceptions in terms of the effect of strategic planning on the firm’s performance in SMEs Tamilnadu context. Thus, it are often implied that each one respondents perceived that strategic planning is vital, because it can to some extent influence the performance of their firms.

[c] Strategic management practices and organizational capabilities: To answer the

research question what’s the impact of strategic management practices on different levels of organizational capabilities in Tamilnadu SMEs context? The multivariate analysis was conducted. Table 5 and 6 provides the model summary results of the regression.

Table 5: Summary Results of Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.786 ^a	0.617	0.602	0.32038	
Anova ^b					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	16.072	4	4.018	39.14	.000 ^a
Residual	9.957	97	0.103		
Total	26.028	101			
a. Predictors: (Constant), low-cost strategy, differentiation strategy, strategic planning, locus of control. b. Dependent variable: organizational capabilities					

From Table 5 summary results it’s found that R2 value is 0.617 and this means that the strategic management practices like strategic planning, locus of control and low-cost and differentiation strategy have a robust impact on different levels of organizational capabilities (managerial, innovation and marketing capabilities). The R2 value shows higher value because the respondents perceived that to reinforce the extent of SMEs capabilities there’s a requirement to possess effective strategic management practices particularly the Porter’s generic strategic like low-cost and differentiation strategy. Moreover, management and manager play an important role in developing such strategies. Are often “> this is often can be observed from the parametric statistic Table 6. The table shows there’s a statistically significant correlation between locus of control, low-cost and differentiation strategy with organizational capabilities in comparison to strategic planning.

[d] Organizational capabilities and SMEs performance: To answer research question what effect do different levels of organizational capabilities influence the firm performance in Tamilnadu SMEs context? The Pearson’s correlation and covariance were conducted. The correlation results are presented in Table 7.

Table 6: Coefficients

Model	Independent variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.856	0.256	-	3.348	0.001
	Strategic Planning	0.031	0.072	0.04	0.439	0.662
	Locus of Control	0.178	0.072	0.239	2.472	0.015
	Differentiation Strategy	0.367	0.08	0.403	4.594	0.000
	Low-Cost Strategy	0.205	0.076	0.239	2.703	0.008
a. Dependent Variable: Organizational Capabilities						

The summary results of correlation shown in Table 7 indicated that different levels of (innovative, marketing, and managerial capabilities) of organizational capabilities and every one dimensions of firm performance (operational and financial performance) features a significant relationship, because the significant (p-value) is a smaller amount than 0.050. The covariance results observed in table 7 indicated there’s an immediate relationship between all dimensions of (managerial, marketing and innovative) organizational capabilities and firm performance. From this, it are often implied that that increase in organizational capabilities particularly the managerial capabilities the operational and financial performance of the SMEs are often increased.

To examine the strength of the connection between the study variable coefficient of correlation was conducted and therefore the correlation value ($r > 0.635$) indicated that the degree of relationship between managerial capabilities and every one aspects (operation and financial) of firm performance is robust and positive which suggests that with a rise managerial capabilities the firm’s performance also increases.

The results highlighted in orange also shows the connection between overall organizational performance and firm performance is direct, positive and powerful. Strategic management practices, organizational capabilities and firm performance: To answer the research question

what are the impact of strategic management practices and organizational capabilities on firm performance in Tamilnadu SMEs context? The multivariate analysis was conducted. Table 8 and 9 provides the model summary results of the regression and Figures 1 and 2 indicate the plot showing the estimated equation supported regression results.

Table 7: Summary Results of Correlations and Covariance

Variables	Statistical Tool	Variables		
		Operational Performance	Financial Performance	SMEs Performance
Innovative Capabilities	Pearson Correlation	.563**	.496**	.563**
	Sig. (2-tailed)	0.000	0.000	0.000
	Sum of Squares and Cross-products	22.337	21.222	21.779
	Covariance	.221	.210	.216
Marketing Capabilities	Pearson Correlation	.453**	.396**	.451**
	Sig. (2-tailed)	0.000	0.000	0.000
	Sum of Squares and Cross-products	16.222	15.291	15.756
	Covariance	.161	.151	.156
Managerial Capabilities	Pearson Correlation	.637**	.635**	.677**
	Sig. (2-tailed)	0.000	0.000	0.000
	Sum of Squares and Cross-products	21.919	23.567	22.743
	Covariance	.217	.233	.225
Organizational Capabilities	Pearson Correlation	.640**	.590**	.654**
	Sig. (2-tailed)	0.000	0.000	0.000
	Sum of Squares and Cross-products	20.159	20.026	20.093
	Covariance	.200	.198	.199
**. Correlation is significant at the 0.01 level (2-tailed)				
N = 102				
Data Source: Field Survey				

From Table 8 summary results it's found that R2 value is 0.564 and this means that there's a moderate impact of strategic management practices and organizational capabilities on firm performance in Tmilnadu SMEs context.

Table 8: Summary Results of Regression

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.751 ^a	.564	.555	.39979	
Anova ^b					
	Sum of Squares	df	Mean Square	F	Sig.
Regression	20.429	2	10.214	63.906	.000 ^a
Residual	15.823	99	.160		
Total	36.252	101			
a. Predictors: (Constant), Organizational Capabilities, Strategic Management Practice					
b. Dependent variable: Firm Performance					

Table 9: Coefficients

Model	Independent variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.250	.325	-	.768	.444
	Strategic Management Practice	.660	.119	.575	5.547	.000
	Organizational Capabilities	.251	.122	.213	2.051	.043
a. Dependent Variable: Firm Performance						

There's a big relationship between the variables as shown in Table 8. The R2 value shows moderate value because the respondents may need perceived that to reinforce their firms' performance to some extent there's a requirement for strategic management practices and organizational capabilities. are often "> this is often can be observed from the parametric statistic Table 9. The table shows there's a statistically significant correlation between the study variables.

According to Figure 1 and 2, the plot indicates that the estimated equations $y = 0.250$

+0.251x (where x = organisational capabilities and y = firm performance) is nearly linearly related and $y = 0.250 + 0.660x_1$ (where x_1 = strategic management practices and y = firm performance) is linearly related. This might be because the respondents may need perceived that for his or her firm strategic management practices are a more essential element of firm performance in comparison to organizational capabilities. However, the results regression results indicated that each one independent variables (strategic management practices and organizational capabilities) are linearly associated with the variable that this is often firm performance in Tamilnadu SMEs context.

Figure 1: Organisational Capabilities and Firm Performance

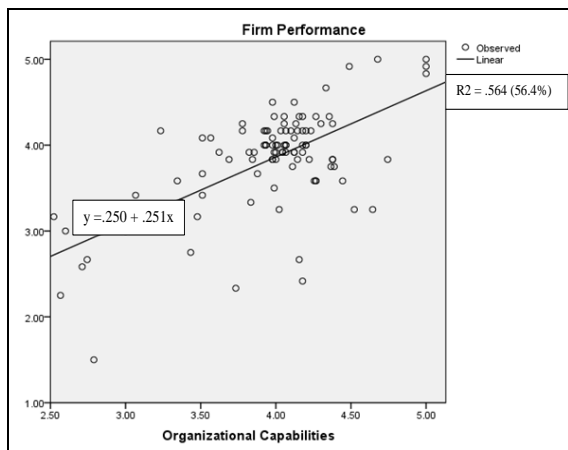
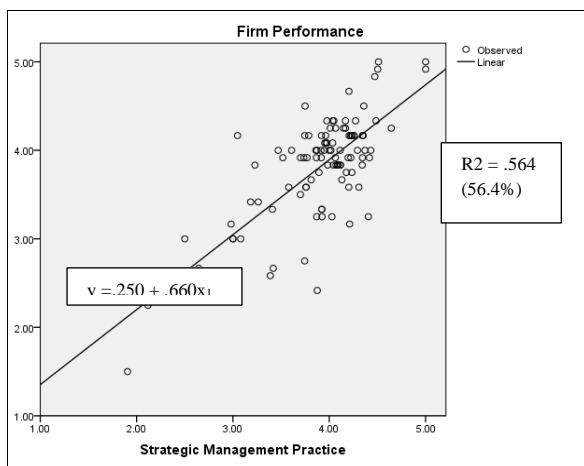


Figure 2: Strategic Management Practice and Firm Performance



4.0 Conclusion

It might be concluded from above discussion that the connection between a company's performance with its resources and competencies, many studies have applied the idea of RBV. The RBV stresses the qualities which enable the corporate to develop and sustain its performance. These qualities are competences and resources which are defined as uncommon, treasured and incomparable. the idea of RBV ascertains that the corporate's exclusive offering is significant for its long-term existence and this offering must be advanced by cultivating the capabilities of the company over time.

Moreover, the findings of the study which were investigated towards developing the connection between strategic management practices, organizational capabilities, and performance of the SMEs in Tamilnadu. The results further validate the connection between the firm's performance and competences in SMEs which indicated that the managerial competencies are more important. Thus, it's suggested that SMEs in Tamilnadu got to provide training to their employees particular the managers and other supervisors on the way to effectively develop strategic plans and developed strategic activities to enhance the organizational capabilities and therefore the performance.

Furthermore, the results also indicated a couple of other notable findings, whereby a positive relationship was developed between strategic planning and enhanced performance which support the previous research study conducted in literature. The study also showed a relationship between the capabilities of the organization and therefore the performance in Tamilnadu SMEs. The results showed that marketing and managerial competencies impact the performance of the firm. However, managerial competencies have a better impact on performance in comparison to other competencies.

Thus, it's recommended that the policy-makers and incubators got to provide intense workshops and courses which will support entrepreneurs to develop the leadership and other managerial skills that are required to develop and plan for strategic activities. This indirectly

increases the success rates of the SMEs in Tamilnadu context.

Therefore, a couple of research studies conducted have explored the connection between strategic performance and planning with reference to the company's organizational capabilities like technological, marketing, managerial and innovative competence. Though these studies are conducted minimal research has been administered within the same scope studying the strategic performance and planning relationship with RBV in SMEs of Tamilnadu.

The aim of this study was to explore the connection between strategic planning and performance by moderating the innovative and managerial competencies within the SMEs of Tamilnadu. The results obtained are indicative that strategic planning and performance are closely associated with one another within the SMEs of Tamilnadu and this is often in agreement with the studies conducted previously by few researched on the connection of strategic planning and performance. The research showed that the bulk of the SMEs in Tamilnadu lacks strategic planning in their operations. the necessity for strategic planning in smaller businesses is as important because it within the larger organizations.

The results obtained from the study enabled the researcher to deduce a couple of conclusions of the study. The results revealed that the SMEs in Tamilnadu lacks strategic planning in their operations mainly thanks to the shortage of research units. The connection between strategic planning and performance were found to be proportional implying that the strategic planning features a positive effect on the performance of the corporate.

The study also proved that managerial competence and strategic planning have a positive effect on the performance of SMEs in Tamilnadu. The conclusions and findings of this study have an immediate impact on the event of the SMEs in Tamilnadu. The study conducted adds value to the prevailing literature on strategic planning particularly within the SMEs of Tamilnadu particularly on how they function and impact of designing on their performance.

The research also explores the importance of the strategic planning of SMEs in enhancing their performance which provides the corporate an whip

hand within the industry. The findings also indicate that managerial competence plays an important role in strategic planning and performance, which imply that it's important for the manager and owners of SMEs in Tamilnadu to develop and nurture their skills in planning activities.

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