The Scientific Temper (2024) Vol. 15 (1): 1853-1861
E-ISSN: 2231-6396, ISSN: 0976-8653
Doi: 10.58414/SCIENTIFICTEMPER.2024.15.1.38
https://scientifictemper.com/
RESEARCH ARTICLE

Mediation of competitive advantage between strategy management practices and organizational performance

Vikas Chaudhary*, **Parul Jhajharia**

Abstract

This study aims to investigate the impact of competitive advantage as a mediator between organizational performance and strategy management in enterprises located in Faridabad. Using a well-designed questionnaire and convenient sampling, data is gathered from 200 Faridabad-based businesses. Amos 21 and SPSS 21 are used for data analysis. Strategy management practices significantly impact organizational performance in direct analysis. Competitive advantages have a significant impact on organizational performance, and strategy management practices have a significant impact on competitive advantages in the indirect effect. However, there is no significant relationship between strategy management practices and organizational performance. It is revealed that completive advantages fully mediate between strategy management practices and organizational performance. Subsequent studies may employ qualitative research methods to investigate additional pertinent variables. It is implied that strategy implementation and assessment are critical to improving performance and giving Faridabad-based businesses a competitive edge.

Keywords: Strategy management practices, Competitive advantages, Organizational performance, Faridabad, Mediation.

Introduction

The corporate climate of today is highly dynamic and uncertain. Implementing the strategy management idea is one of the most crucial steps to paving the path for survival, expansion, and growth in such a scenario. Every company organization aspires to more remarkable performance, an enhanced competitive edge, and a better return. In the current globalization era, domestic and international players compete fiercely for any commercial organization.

According to Huynh, Gong, and Tran (2013), strategy management practice is one of the most crucial processes for laying the groundwork for survival, development, and growth.

The competition is getting more challenging, and organizational performance is becoming problematic in the current dynamic corporate climate. Organizations must improve their performance to maintain this status (Nuryanto, Djamil, Sutawidjaya, and Saluy, 2020). According to Ko (2015), the industrial company has implemented changes to improve its agility in light of a progressively competitive market, heightened consumer awareness regarding the quality of products available at competitive prices, and evolving product preferences driven by customer demands. The genesis of this competition may be attributed to the year 1990, a period marked by a heightened emphasis on the efficient and cost-effective delivery of high-quality goods and services to their respective destinations (Li *et al*., 2006). This phenomenon presents implications and challenges, particularly for companies accustomed to structuring their business strategies around the ability to forecast trends in the next five to ten years, thereby modifying their practices and accelerating innovation (Munir, 2011). Many organizations have adopted various strategies to adapt to changing consumer tastes and maintain business operations. The strategies discussed in the literature include the expansion of market presence (Hertati, 2015), the development of innovative consumer products, the improvement of organizational frameworks, the enhancement of production efficiency, and the reduction of expenses (Hertati, 2016).

The concept of performance displays diversity across many fields and depends on the specific industry in which an organization functions (Jenatabadi, 2015; Hertati *et al*., 2019). Performance can be defined as the achievement of quantifiable results, which can be utilized to assess the

Manav Rachna University, Faridabad, Haryana, India.

***Corresponding Author:** Vikas Chaudhary, Manav Rachna University, Faridabad, Haryana, India, E-Mail: rchdry@yahoo.co.in

How to cite this article: Chaudhary, V., Jhajharia, P. (2024). Mediation of competitive advantage between strategy management practices and organizational performance. The Scientific Temper, **15**(1):1853-1861.

Doi: 10.58414/SCIENTIFICTEMPER.2024.15.1.38

Source of support: Nil

Conflict of interest: None.

Received: 13/01/2024 **Accepted:** 14/02/2024 **Published** : 15/03/2024

degree to which an organization can meet its stated goals and objectives. Performance can be defined as the outcome achieved when individuals or different elements within an organization work together to fulfill the goals established by the organization. A correlation can be observed between the individual performance of employees and the overall performance of a business, taking into consideration the organizational structure. In order to achieve predefined objectives, companies must engage in actions driven by individuals or groups who deliberately assume the role of actors. The achievement of organizational objectives is reliant on the efforts of its employees. Friedlander and Pickle (1968) and Safkaur (2020) propose that performance can be utilized as a measure to assess the degree of accomplishment attained by a corporation.

With the development and successful use of managerial strategies by numerous professional business corporations, including general electric and the boston consulting group, strategic management has become indispensable today. Professional corporations operating across many industries were the primary users of strategic management. In order to keep their businesses competitive in an increasingly unpredictable environment, today's professional managers in all organizations must take strategic management seriously due to the rising risk of error, expensive blunders, misunderstandings about market needs, and even financial catastrophe.

A firm's advantage over its competitors can be summed up as its desire for the difference between the product's perceived value and cost to be larger than that of its competitors (Porter, 1980).

Based on the above discussion, studying the mediating role of competitive advantages between strategy management and organizational performance is imperative.

Literature Review

Strategy Management and Organizational Performance

Since strategic management is the only comprehensive tool for the organization's development, it is crucial to investigate and analyse the internal and external environments as part of an organization's prospective future process (Pirtea, Nicolescu, and Botoc, 2009).

Grant (2002) states that a long-term plan can give an organization a competitive edge. An organization cannot wholly investigate and optimize market potential without plans, ultimately leading to failure.

The degree to which concerned organizations apply and implement strategy management practices determines how differently two organizations perform from one another (Serra and Ferreira, 2010). According to Hatif and Sadik (2012), the implementation and utilization of strategic management techniques help an organization accomplish its aims and objectives, which eventually result in the achievement of various features, benefits, and the execution of its various functions. According to Rhee and Mehra (2013), one of the critical requirements for any organization to develop, achieve, and sustain optimal business performance is a close relationship between competitive strategy and the activities of strategic functions.

The UNDP (2008) suggested using strategy management tools for quantitative and qualitative environmental research. The study concludes that organizations must manage, assess, and analyze their strategies in the contemporary, fiercely competitive market if they hope to increase performance.

According to Olanipekun, Abioro, Akanni, Arulogun, and Rabiu (2015), strategic management improves organizational performance over an extended period of time in addition to providing a firm with a competitive advantage that allows it to outperform the competition.

Husnah, Subroto, Aisjah, and Djumahir (2013) investigated the connection between an organization's competitive strategy and financial performance, as well as the choice of competitive strategy using human capital as an intangible asset. It was determined that variations in intangible assets and the ensuing variations in financial performance affected the choice of competitive strategy. The competitive strategy selection is directly impacted by human capital. The owner or management of the company's competitive strategy reinforced the most considerable improvement in financial performance.

Based on the findings of correlation analysis, Arasa and K'Obonyo (2012) conducted a study to investigate the relationship between strategic planning and firm performance and concluded a substantial association.

In order to investigate the impact of strategic planning on corporate performance, Owolabi and Makinde (2012) studied Babcock University in Nigeria. The study showed a strong positive association between strategic planning and corporate performance.

Ridwan and Marti (2012) studied Indonesia's regional government-owned banks to determine the connection between strategic planning procedures and bank performance. The study's conclusions verified that strategic planning and performance in Indonesia's state-owned banks have a favorable and significant association.

Strategy Management and Competitive Advantages

Competitive strategies enable an organization to provide its clients with higher-quality goods and services that need more care and attention and for which they are willing to pay a premium price, which will enhance the organization's financial success (Grant, 2002).

According to Ren, Xie, and Krabbendam (2009), a company can gain a lasting competitive edge over its rivals by utilizing internal strength as a tactic, responding to environmental threats, and cutting internal expenses.

Many nations have embraced globalization, which has increased pressure on small firms. As a result, it is critical and essential for entrepreneurs running small enterprises to acquire the managerial and tactical skills necessary to be competitive (Yaacob and Ju, 2013). Globalization of markets has changed everything in the modern world. E-commerce is an inventive use of information technology by retail and international sectors, and it may help reach customers inside an existing market who may have yet to visit vendors' outlets (Sunhilde, 2011). How businesses operate today has also evolved. In order to remain competitive and produce attractive products at affordable rates, businesses increasingly consider the global market rather than their local or national one. Given the reality of the market, every manager is now concerned about the need for a solid and outstanding competitive advantage. It is insufficient to assume that high-quality items would sell themselves and that current success will translate into future success (Porter, 1980). From the standpoint of the buyer, the price is the amount the buyer gives or pays to receive the good or service. Psychological factors such as pricing fairness influence customers' responses to the price they pay (Kim *et al*., 2006). According to Abdeldayem and Khanfar (2007), a consumer's level of disconfirmation should decrease with time. They also noted that consumers will learn more as they use a product and should adjust their expectations accordingly. Similarly, customers only recommended the service provider to others when they received high-quality service and were completely satisfied with the service provided in their lodging experience, according to research by Getty and Thompson (1994). Customer service will become more effective while cutting costs with improved supply chain management (Banabakova and Stoyanov, 2009). Porter's model has reportedly been used to help businesses create plans to give them a more significant competitive advantage (Turban *et al*., 2006).

Competitive Advantages and Organizational Performance

Previous studies investigating the correlation between competitive advantage and organizational performance, such as the work conducted by Cantele and Zardini (2018), have established that the sustainability aspect of a business's long-term viability exerts a noteworthy influence on both competitive advantage and overall company performance. According to Lorenzo *et al*. (2017), competitive advantage plays a significant role in determining the performance of beverage companies in Spain. This finding aligns with previous studies conducted by Kusuman and Devie (2013), Gyampah and Acquaah (2008), Othman *et al*. (2015), and other scholars, which emphasize the significance of a firm's internal power in shaping its competitive advantage.

In Maa's (2000) study, the terms "competitive advantage" and "organizational consequences" are employed expressly. There seems to be a convoluted relationship. General research indicates that these two variables have a substantial association. Morgan, Kaleka, and Katsikeas's (2004) study proved also beneficial. From a resource-based perspective, the organizational advantage is as significant as it gets, claim Rose, Abdullah, and Ismad (2010). It provides a conceptual framework for corporate organizations trying to increase their competitive advantage. By utilising and modifying well-known internal resources of firms, the utilisation of competencies also enhances performance.

Powell (2003) evaluated the three most dominant industries. These included brewing, computing, and medicine. These are some of the industries that lend credence to the competitive lead theories. It is claimed that the performance conjecture could be easily managed by incorporating erroneous and defective predictions about how the performance could be distributed in a just and competitive procedure. Fahy (2000) advocated for the establishment of a position that would be tenable. A better presentation is possible, and this is usually quantified in more conservative terms like fecundity and market share. It is referred to as the financial performance measurement approach. Put differently, if we take this point of view at its value, then performance and the competitive circumference stand for two different ideas and measuring systems.

Different resources and capacities affect the enterprise of an export corporation, according to Morgan, Kaleka, and Katsikeas (2004). The performance of an export endeavour varies depending on its positioning in the export market and its opportunities.

Research Methodology

Proposed Alternate Hypothesis

H1: There is a positive significant relationship between strategic management practices and organizational performance

H2: Strategic management practices and competitive advantage have a positive significant relationship.

H3: Competitive advantage and organizational performance have a positive significant relationship.

H4: Competitive advantage mediates between strategic management practices and organizational performance.

Research Design and Methods

- A descriptive and hypothesis-testing research design was adopted for this study.
- Population – Faridabad based industries.
- Sample – Data is collected from 200 industries in Faridabad.
- Sampling technique – A convenient sampling technique is used for data collection.
- Data analysis – SPSS 21 and Amos 21 are used for data analysis and interpretations.
- Statistical tests – Reliability analysis, descriptive analysis, correlations, and regression analysis are used for this study.

Instruments used for Study Variables

Strategic management practices

Any company's vision, mission, values, objectives, and plans are its strategic components (Price, 2006). According to Mackie (2008), strategy management is an ongoing cycle. It is "a set of processes comprising strategy formulation, strategy implementation, monitoring, and control." Strategic management is "a stream of decisions and actions, which leads to the development of an effective strategy or strategies to help achieve corporate objectives in a competitive way," according to Pathak (2009).

The questionnaire used for this study consists of 30 items. The multi-item scale used to measure strategic management practices was modified from Aboramadan and Borgonovi (2016). The four dimensions of environmental scanning, strategy creation, strategy implementation, and strategy evaluation are used to assess strategic management practices. A framework for managing operations, allocating better resources, bolstering goals and choices, and improving performance is referred to as strategy management practices.

Organizational performance

The overall productivity of an organization in terms of customers, stock turnover, profitability, and market share are referred to as organizational performance. Since generating profits is a company's primary objective, organizational performance is fundamental to enterprises. Performance was emphasised from four angles by Kiragu (2005): Financial, consumer, internal, and inventive. The monetary attitude outlines the main financial factors—earnings margin, asset turnover, leverage, cash glide, and operational capital—that can improve overall performance. As a result, return on assets (ROA, %), market share price growth over time, employee productivity, decrease in labor costs per employee, employee value-added, and profit margin maintenance and sustainability are used to measure financial performance.

Kareem *et al*. (2019) developed a framework for measuring organizational performance. About 25 items are in it. It is measured in terms of the organization's non-financial and financial performance. The capacity of the organization to use its resources effectively and efficiently to meet its goals.

Competitive advantage

This instrument, which consists of nineteen items, was created based on research conducted by Sigalas, Economou, and Georgopoulos (2013). "Above industry average manifested exploitation of market opportunities and neutralization of competitive threats" is defined. Three criteria are used to evaluate it: technical, managerial, and resource capabilities to take advantage of market opportunities and counteract competitive threats.

Results Data Analysis and Interpretations

Sample Description

It is essential to introduce sample composition to understand respondents better, and the results are presented in Table 1. The sample is described in terms of nature and type of establishments.

Table 1 shows that the highest number of respondents are from service compared to manufacturing.

Table 2 shows that the highest number of respondents are from legal establishments compared to illegal ones.

Reliability, Descriptive Statistics, and Correlation Coefficients of Main Variables

A reliability test is conducted for internal consistency, statistics are reported in terms of mean and standard deviation, and the Pearson correlation coefficient for correlation and results are reported in Table 2.

Table 2 shows that variable strategic management practices have 30 items, competitive advantage has nineteen items, and organizational performance has 25 items. Cronbach's alpha value ranges from .700 to .791, above the recommended value (more than .07) for highly reliable instruments (Cronbach, 1951).

Each variable has a significant positive relationship with other variables, and the correlation coefficient varies from .510 to .732.

The highest mean is reported for organizational performance, followed by competitive advantage, then strategic management practices.

Measurement Model

The measurement model is the confirmatory factor analysis used to ensure validity. It thus permits the evaluation of the factor loading of the indicators on the independent construct. The chi-square value can be used to estimate the fit of a model. It makes sense to interpret a low and negligible 2 as a good indicator of model fit (Hair, Black Babin, Anderson, & Tatham, 2006). The two statistics are compared to get the normed-2, or the ratio of 2 to the degree of freedom (df) since chi-square is more sensitive to data

Table 1: Based on the nature of the establishments

Nature	*Frequency*	*Percent*	*Cumulative percent*
Service	116	58.0	58.0
Manufacturing	84	42.0	100.0
Total	200	100.0	

Table 2: Based on type of establishments

Type	*Frequency*	*Percent*	*Cumulative percent*
Legal	143	71.5	71.5
Illegal	57	28.5	100.0
Total	200	100.0	

Table 3: Reliability, descriptive statistics, and correlation coefficients of main variables

Variables	*Reliability*		*Correlations*				*Descriptive statistics*	
	No. of items	*Cronbach's alpha*		*SMP*	*CA*	*OP*	*Mean*	*SD.*
SMP	30	0.767	r	1	.510**	.620**	3.475	.4662
CA	19	0.791	r		1	.732**	3.485	.4173
OP.	25	0.700	r			1	3.513	.3765

**. Correlation is significant at the 0.01 level (2-tailed).
[r= Pearson Correlation and N= 200]
Note: [Strategic management practices- SMP, Competitive advantage – CA & Organizational performance- OP.]

Table 4: Summary of measurement model of study variables

Variables	*P*	*X2*	*Df*	*X2/df*	*GFI*	*CFI*	*TLI*	*RMSEA*	*RMR*
Strategic management practices	0.3	3.666	3	1.222	.995	.998	.997	.027	.012
Competitive advantage	.186	6.177	4	1.544	.992	.997	.991	.043	.020
Organizational performance	.000	21.575	6	3.596	.976	.986	.965	.093	.028

[Note – "GFI: Goodness of fit index, CFI: Comparative fit index, TLI: Tucker Lewis Index, RMSEA: Root Mean Square Error of Approximation, RMR: Root Mean Square Residual"]

that are more significant than 200. Several three or fewer were said to be reasonably good predictors of model fit (Kline, 1998). The goodness-of-fit index is another measure of a well-fitting model (G. F. I.). It falls under the category of an absolute index, replacing the absence of any model with the suggested model (Hu & Bentler, 1995). GFI values close to 1.00 signify a superb match. A comparative indicator called the CFI assesses the suggested model about a reference model. A better match is indicated by a CFI score greater than 0.9 (Bentler, 1990). When examining the difference between the observed and projected covariance matrices per degree of freedom, the root means square error of approximation (RMSEA) shows that values less than 06 reveal a perfect match, values up to 08 predict an acceptable fit, and values between 0.08 and 0.10 predict a mediocre fit. The study's model fit was assessed using various indices, such as normed-2 (2/df), GFI, CFI, and RMSEA, per the abovementioned guidelines. According to this situation, the estimate needs to be statistically significant, at least at p .05., to satisfy the requirement that an indicator be appropriate for a latent construct.

Strategic management practices

This is a unidimensional construct with five items. The hypothesized model did not fit the data well according to the results of the CFA covariance is used between items of high modification, and a revised model is developed. The fit indices are as follows $\chi2=3.666$, $\chi2/df =1.222$, GFI = .995, CFI = .998, TLI=.997, $p > 0.05$ and RMSEA = .027, RMR=.012. The fit indices of the revised model show a reasonable and acceptable fit (Table 3).

Competitive advantage

This is a unidimensional construct with five items. The hypothesized model did not fit the data well according to the results of the CFA covariance is used between items of high modification, and a revised model is developed. The fit indices are as follows $\chi2= 6.177$, $\chi2/df =1.544$, GFI = .992, CFI = .997, TLI=.991, $p > 0.05$ and RMSEA = .043, RMR=.020. The fit indices of the revised model show a reasonable and acceptable fit (Table 3).

Organizational performance

This is a unidimensional construct with six items. The hypothesized model did not fit the data well according to the results of the CFA covariance is used between items of high modification, and a revised model is developed. The fit indices are as follows $\chi2= 21.575$, $\chi2/df = 3.596$, GFI = .976, CFI = .986, TLI=.965, $p <.05$ and RMSEA = .093, RMR=.028. The fit indices of the revised model show a reasonable and acceptable fit (Table 3).

Mediation Analysis

The term "mediation effect" describes a situation that involves three or more variables and in which there is a fundamental relationship between all three. In this, an independent and dependent variable has a direct relationship. Additionally, indirect effects exist between a mediator and a dependent variable and between a mediator and an independent variable. The mediational effect is the degree to which the direct effect is altered by considering the mediating variable role of competitive advantage.

Table 4 presents the regression results between green value awareness and organizational performance. It is calculated to comprehend the impact of one or more criterion variables on the predictor (dependent variable) (independent variable). The examination of the role of competitive advantage as a mediator between the input variable (Strategic management practices) and the outcome variable is shown in the Table 4 (Organizational performance).

Table 5: Regression estimates between strategic management practices and organizational performance

Variable	*Direction*	*Variable*	*Estimate*	*SE.*	*CR.*	*P*
Organizational performance	<---	Strategic management practices	0.29	0.055	5.2727	.003

Table 6: Regression estimates among study variables in the presence of a mediator

Variable	*Direction*	*Variable*	*Estimate*	*SE.*	*CR.*	*P*
Competitive advantage	<---	Strategic management practices	0.111	.065	1.718	.006
Organizational performance	<---	Strategic management practices	.056	.041	1.355	.175
Organizational performance	<---	Competitive advantage	.735	.103	7.170	***

Table 7: Summary of hypothesis testing results

Outcome variable	*Direction*	*Explanatory variable*	*Mediation*	*Inferences*
Competitive advantage	<---	Strategic management practices	With mediation	H2: supported
Organizational performance	<---	Competitive advantage	With mediation	H3: Supported
Organizational performance	<---	Strategic management practices	With mediation	H1: supported
Organizational performance	<---	Strategic management practices	Without mediation	H1: supported
Competitive advantage as a mediator				H4: Supported

Table 8: Model fit indices summary of structural model with and without a mediator

Variables	*P*	*$^{x}2$*	*Df*	*X^2/df*	*GFI*	*CFI*	*TLI*	*RMSEA*	*RMR*
Model (without Mediator)	.022	33.275	19	1.751	.961	.976	.965	.061	.018
Model (With Mediator)	.032	59.244	41	1.444	.951	.980	.973	.041	.016

[GFI: Goodness of fit index, CFI: Comparative fit index, TLI: Tucker Lewis Index, RMSEA: Root Mean Square Error of Approximation, RMR: Root Mean-Square residual]

The value of p and critical ratio in Table 4 shows a significant impact of strategic management practices on organizational performance in direct relation. This confirms the acceptance of hypothesis $H_{1,}$ which states a positive significant relationship between strategic management practices and organizational performance.

According to the findings presented in Table 5, the analysis of the *p-value* and critical ratio indicates that there is no statistically significant influence of the input variables, specifically the strategic management practices, on the end variable, which is the organizational performance, when considering the presence of the mediator, competitive advantage. Based on the data, a competitive advantage is a complete mediator in the association between strategic management practises and organizational performance. This study demonstrates and validates the complete mediating role of competitive advantage in the relationship between strategic management practises and organizational performance. Consequently, the alternative hypothesis H4 is deemed to be accepted.

In the context of strategic management practices, the estimated value of the regression coefficient is 0.111, with a significance level of $p < .01$. The findings of this study indicate a statistically significant ($p < .01$) positive relationship between strategic management practices and competitive advantage. Consequently, the alternative hypothesis H2 is deemed to be accepted.

In the context of competitive advantage, the estimated value of the regression coefficient is 0.735, which is statistically significant at the $p < .01$ level. This study supports a statistically significant positive association between competitive advantage and organizational performance. Consequently, the alternative hypothesis H3 is deemed to be accepted.

Hypotheses Testing Results

The hypothesis testing results are presented in Table 6. The model fits indices of direct (relationship between strategic management practices and organizational performance without a mediator) and with the mediator in Table 7.

The summary of hypothesis testing for the current study is presented in Table 6, demonstrating that all four original hypotheses were accepted. This study has demonstrated that cultural impact partially mediates organizational performance and awareness of environmental values.

Table 8, based on the values of fit indices summary of the structural model, reveals the acceptance of the model in direct relation between strategic management practices and organizational performance (without mediator), and values are reported as $p < .01$, $X^2 = 33.275$, normed chi-square $X^2/df = 1.751$, GFI = 0.961, CFI = 0.976, TLI = 0.965, RMSEA = .061 and RMR = .018. All the indices are in the acceptable range, which shows the model's acceptability.

In the indirect relation between strategic management practices and organizational performance (with a mediator) competitive advantage, the value of $p < .01$, $X^2 = 59.244$, normed chi-square $X^2/df = 1.445$, GFI = 0.951, CFI = 0.980, TLI = 0.973, RMSEA = .047 and RMR = .016. All the indices are acceptable, showing the model's acceptability with mediator competitive advantage.

Discussion

This study aimed to evaluate strategy management practices, organizational performance and competitive advantages in Faridabad-based industries. Organizational performance is a one-dimensional variable. Strategy management practice consists of environmental scanning, strategy formulation, strategy implementation and monitoring, while technological, managerial, and raw material capabilities are used to measure competitive advantage.

It is reported that strategic management practices and organizational performance have a positive significant relationship. Similar findings were reported by Rhee and Mehra (2013) based on US banks and Ridwan and Marti (2012) studied in banks of Indonesia while Olanipekun *et al*. (2015) and Owolabi and Makinde (2012) studied in Nigeria.

Based on the results, it is confirmed that Strategic management practices and competitive advantage have a positive significant relationship in line of the findings of Olanipekun, Abioro, Akanni, Arulogun, and Rabiu (2015).

It is revealed that competitive advantage and organizational performance have a significant positive relationship. This finding is in line with research conducted by Cantele and Zardini (2018), Gyampah and Acquaah (2008), Kusuman and Devie (2013), Lorenzo *et al*. (2017) and Othman *et al*. (2015).

Conclusion

It is concluded that technical factors have the most considerable influence on organizational performance, followed by raw materials and then management, it is determined that all aspects of competitive advantages contribute to improved organizational performance.

Faridabad's industrial and service sectors have significantly different competitive advantages, but there needs to be discernible variation in organizational performance.

Given that the research variables are associated among themselves, there is potential to improve organizational performance and competitive advantage. Raising the level of organizational performance and competitive advantage dimensions is advised. Dimensions of competitive advantage significantly affect how well an organization performs.

The utilization of strategic management is deemed valuable in the continuous examination of the external environment for gradual enhancements, adaptive adjustments, adaptation to significant shifts, strategic reorientation and revitalization, identification of rivals and reshaping of competition, adherence to proactive measures for competitiveness, management of trade and regulatory policies, and analysis of market conditions. Furthermore, it is worth noting that this phenomenon exerts a favorable and noteworthy influence on the financial performance of the organization, as evidenced by the increase in return on assets (ROA, %), the upward trajectory of market share price, enhanced employee productivity, reduced work costs per employee, augmented value added by employees, and the ability to uphold and sustain profit margin. The discovery above is supported by a study conducted by Luen, Yong, and Fook (2013) in Malaysia, which revealed a positive and statistically significant enduring relationship between strategic planning and business performance.

Recommendation

Given that the research variables' level is slightly above average, there is potential to improve organizational performance and competitive advantage. Raising the level of organizational performance and competitive advantage dimensions is advised. Dimensions of competitive advantage significantly affect how well an organization performs. Thus, it is recommended that Faridabad's small-scale companies raise their degree of management, technological, and raw material proficiency.

Companies are advised to adhere to the same strategy management procedures. It is also recommended that such a study be carried out to comprehend and communicate the financial performance of organizations, as this will assist decision-makers in gaining a competitive edge, long-term returns, and related benefits.

The study's conclusions assist academics, researchers, business owners, and managers in comprehending the elements of strategy management and put them into practice in their organizations for improved financial success. It provides further information on several financial performance indicators.

Future Scope of this Study

This study uses strategy management and financial performance as study variables, and it is centered on enterprises in Faridabad, Haryana, India. By adding more variables to gain a deeper understanding, it may be used in massive organizations as well as other sectors. Researching the relationship between strategy management, financial performance, and the non-financial performance indicator is possible.

Acknowledgement and Funding

I wish to acknowledge the contribution of Prof (Dr.) Parul Jhajharia (Dean- Faculty of Management & Commerce, Manav Rachna University) for giving immense support, motivation and encouragement. I would like to thank all respondents from Faridabad companies for their data collection. Finally, I am endowed with the grace of almighty God for showering graceful drops on my future and instilling courage to cover the research journey with all success.

The authors received no funding for the abovementioned study.

References

Aboramadan, M. & Borgonovi, E. (2016). Strategic management practices are a critical determinant of superior non-governmental organizations performance. Management problems in the 21st century Vol. 11, No. 2, pp. 71-92.

Amurle, G., Gakure, R., and Waititu, A. (2013). Does strategic planning influence the performance of I.C.T. SMEs in Kenya? *Prime Journal of Social Science (PJSS),* 2(6): 350-359. www.primejournal.org/PJSS.

Anderson. J., and Gerbing, D. (1988). Structural equation modeling in practice: A review and recommended two-step approach. *Psychological Bulletin, 103*(3), 411-423.

Arasa, R., and K'Obonyo, P. (2012). The Relationship between Strategic Planning and Firm Performance. *International Journal of Humanities and Social Science,* 2(22): 201-213.

Bentler, P.M. (*1990*). Comparative fit indexes in structural models. *Psychological Bulletin, 107*(2), 238–246.

Byrne, B. M. (2010). *Structural equation modeling with AMOS: Basic concepts, applications, and programming* (2nd Edition). New York: Routledge, Taylor & Francis Group.

Cantele, S., & Zardini, A., (2018). Is sustainability a competitive advantage for small businesses? An empirical analysis of possible mediators in the sustainability financial performance relationship. Journal of Cleaner Production. 182: 166-176.

Cronbach, L. J. (1951). Coefficient alpha and the internal structure of tests. *Psychometrica*, *16*(3), 297-334.

Fahy, J. (2000), 'The Resource-based view of the Firm: Some Stumbling-blocks on the Road to Understanding Sustainable Competitive', Journal of European Industrial Training, volume 24, pp. 94-104.

Friedlander, F., & Pickle, H., (1968). Components of Effectiveness in Small Organizations. JSTOR 13(2): 289-304.

Gyampah, K.A., & Acquaah, M., (2008). Manufacturing strategy, competitive strategy and firm performance: An empirical study in a developing economy environment. International Journal of Production Economics. 111: 575-592.

Hair, J. F., Black, W. C., Babin, B. J., Anderson, R. E., & Tatham, R. L. (2006). *Multivariate data analysis*. NJ: Pearson.

Hatif, M.A., and Sadik, H. (2012). Strategic Management Accounting Techniques I Romanian Companies: An Empirical Study. *Studies in Business and Economics7*(2), 126-140.

Hertati, L (2015). Competence of Human Resources, The Benefits of Information Technology on Value of Financial Reporting in Indonesia. Research Journal of Finance and Accounting 6, (8) 12-18.

Hertati, L. & Sumantri R. (2016). Just In Time, Value Chain, Total Quality Management, Part of Technical Strategic Management Accounting. International Journal of Scientific &Technology Research 5(4) 181-191.

Hertati, L. (2015). Impact of uncertainty of environment and organizational cultural on accounting information system management and implications for managerial performance proposing a conceptual framework. International Journal of Economics, Commerce and Management United Kingdom 3 (12) 455-468.

Hertati, L. (2015). Internal Control and Ethics of Quality Management System Accounting Information and Implications on the Quality of Accounting Information Management: Proposing A Research Framework. International Journal of Economics, Commerce and Management United Kingdom 3 (6) 902-913.

Hertati, L. (2015). Total Quality Management as Technics on Strategic Management Accounting. International Journal of Recent Advances in Multidisciplinary Research 2, (11),.0942-0949.

Hertati, L.& Zarkasyi, W. (2015). Effect Of Competence User Information System, The Quality of Accounting Information Systems Management and Implications In satisfaction User Information System (State Owner in Sumatera Selatan. European Journal of Accounting, Auditing and Finance Research 3, (2).35-60.

Husnah, Subroto, B., Aisjah, S., and Djumahir (2013). Intangible asset, competitive strategy and financial performance: study on Rattan S.M.E.s in Palu City of Central Sulawesi (Indonesia). *IOSR Journal of business and management, 7*(4), 14-27.

Huynh, T., Gong, G., and Tran, P. (2013). Integrating ABC with Standard Costs - A Strategic Management Tool. *Australian Journal of Basic and Applied Sciences,* 7(6): 556-562.

Jenatabadi, H.S., (2015). An Overview of Organizational Performance Index: Definitions and Measurements. International Journal of Business and Management. 8(19): 107-117.

Joreskog, K. G., and Sorbom, D. (1993). *L1SREL 8: User's reference guide*. Scientific Software International: Chicago.

Kareem, H.M., Aziz, K.A., Maelah, R., Yunus, Y.M., & Dauwed, M.A. (2019). Review article enterprises performance-based accounting information system: Success Factors. Asian Journal of Scientific Research, 12(1), 29-40.

Kline, P. (1998). *The new psychometrics: Science, psychology and measurement*. Routledge Publishing: London.

Ko, WH, (2015). Constructing a professional competence scale for foodservice research & development employees from an industry viewpoint. International Journal of Hospitality Management. 49: 66-72.

Kusuma, F.S.D., & Devie, (2013). Analisa Pengaruh Knowledge Management terhadap Keunggulan Bersaing dan Kinerja Perusahaan. Business Accounting Review. 1(2): 161-171.

Li, S., Nathan, B.R., Nathan, T.S.R., & Rao, S.S., (2006). The impact of supply chain management practices on competitive advantage and organizational performance. The International Journal of Management and Science. 34: 107-124.

Lorenzo, J.R.F., Rubio, M.T.M., & Garces, S.S. (2018). The competitive advantage in business, capabilities and strategy. What general performance factors are found in the Spanish wine industry? Science Direct. 1-15.

Luen, W.K., Yong, K.T. and Fook, O.S. (2013). Strategic Planning and Business Performance: A Study of SMEs in Malaysia. *Proceedings of 3rd Asia-Pacific Business Research Conference,* 25 - 26 February 2013. Kuala Lumpur, Malaysia.

Maa, H., (2000), 'Competitive Advantage and Firm Performance', Competitiveness Review, vol 10(2), p. 16.

Mackie, B. (2008). Organizational Performance Management in a Government Context: A Literature Review. *Scottish Government Social Research*. Public Services and Government. www.scotland.gov.uk/socialresearch.

Morgan, N.A., Kaleka, A. & Katsikeas, C.S., (2004), 'Antecedents of Export Venture Performance: A Theoretical Model and Empirical Assessment', Journal of Marketing, volume 68, pp. 90-108.

Morgan, N.A., Kaleka, A. & Katsikeas, C.S., (2004), 'Antecedents of Export Venture Performance: A Theoretical Model and Empirical Assessment', Journal of Marketing, volume 68, pp. 90-108.

Munir, N.S., (2011). Penerapana Manajemen Pengetahuan di Perusahaan Indonesia. PPM of School Management. 1-13.

Nuryanto, U. W., Djamil M.Z.M., Sutawidjaya, A. H., & Saluy, A. B. (2020). The Effect of Organizational Performance, Competitive Advantage on the Financial Sector of Chemical Manufacturing Industry in Banten Province. *Ilomata International Journal of Tax and Accounting*, *1*(4), 225-242. https://doi.org/10.52728/ijtc.v1i4.141.

Othman, R., Arshad, R., Aris, N.A., & Arif, S.M.H., (2015). Organizational Resources and Sustained Competitive Advantage of Cooperative Organizations in Malaysia. Procedia Social and Behaviour sciences. 170: 120-127.

Owolabi, A.S., and Makinde, G.O. (2012). The Effect of Strategic Planning on Corporate Performance in University Education: A Study of Babcock University. *Kuwait Chapter of Arabian Journal of Business and Management Review,* 2(4): 27-44.

Pathak, P.K. (2009). Successful Models of Public Administration and Management. *The Nepalese Journal of Public Financial Management (PEFA),* pp. 1-12. www.pefa.gov.np.

Pirtea, M., Nicolescu, C., and Botoc, C. (2009). The Role of Strategic Planning in Modern Organization. *Annales Universitatis Apulensis Series Oeconomica,* 11(2): 953-957.

Powell, T.C. (2003), 'Varieties of competitive parity', Strategic Management Journal, volume 24, pp. 61-86.

Price, SL (2006). Performance Management Strategies: A Competitive Advantage for High Technology Firms. A Study in the Okanagan Valley Region of British Columbia, Canada. *Unpublished Dissertation.* Faculty of Business, University of Southern Queensland.

Rhee, M., and Mehra, S. (2013). Aligning Operations, Marketing, and Competitive Strategies to Enhance Performance: An Empirical Test in the Retail Banking Industry. *The International Journal of Management Science,* Omega (34): 505-515.

Ridwan, M.S. and Marti, J. (2012). The Study on Strategic Planning and Organizational Performance in the Regional Government Owned Banks in Indonesia. *International Journal of Humanities and Applied Sciences (IJHAS),* 1(3): 98-102.

Rose, R.C., Abdullah, H., & Ismad, A.I., (2010), 'A Review on the Relationship between Organizational Resources, Competitive Advantage and Performance', The Journal of International Social Research, Volume 3/11, Spring, pp. 488-498.

Serra, F.R., and Ferreira, M.P. (2010). Emerging Determinants of Firm Performance: A Case Study Research Examining the Strategy Pillars from a Resource-Based View. Management Research. *The Journal of the Iberoamerican Academy of Management,* 8(1): 7-24.

Sigalas, C., Economou, V. P. & Georgopoulos, N. B. (2013). Journal of Strategy and Management Vol. 6 No. 4, 2013, pp. 320-342. DOI 10.1108/JSMA-03-2013-0015.

UNDP (2008). Assessment of Development Results: Evaluation of UNDP Contributions. ECUADOR *Evaluation Office, United Nations Development Programme.*