



Effect of Result Authority on the Performance of Small and Medium Scale Enterprises (SMEs) in Enugu State

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The study examined the effect of result authority on the performance of small and medium scale enterprises (SMEs) in Enugu State. The specific objectives of the study are to; examine the effect of decision-making targets on the output and evaluate the effect of objectives implementations on the profitability of SMEs in Enugu State. The area of the study comprised of selected small and medium Enterprises in Enugu state. The choice of the firms was due to high number of staff and capital base above 15 million naira. The study used the descriptive survey design approach. The primary source of data was the administration of questionnaire. A total population of 914 selected staff of the study organisations. The adequate sample size of two hundred and Seventy (270) using Freund and William's statistic formula at 5 percent margin of error. Two hundred and sixty-one (261) employees returned the questionnaire and accurately filled it. Data was presented and analyzed by mean score and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using the Pearson correlation coefficient (r). The findings indicated that decision-making targets had significant positive effect on the output $Z(95, n = 261), 7.737 < 9.718, P < .05$ and Objectives implementation had significant positive effect on the profitability of SMEs in Enugu State $Z(95, n = 261), 8.588 < 9.455, P < .05$. The study concluded that decision-making targets and objectives implementation had significant positive effect on the output and profitability of SMEs in Enugu State. Results authority is based on the ability to achieve certain targets and objectives. The study recommended that the management of Small and Medium Enterprises should be involved in choosing the best course of action among alternatives.

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ABSTRACT

Keywords: Result Authority; Performance; Small and Medium Scale Enterprises; Decision-Making

Introduction

The backdrop against which this study unfolds centres on the imperative role of result authority in shaping the performance trajectories of small and medium-scale enterprises (SMEs) within the context of Enugu State. SMEs are recognized as vital contributors to economic growth and development, particularly in emerging economies like Nigeria (Chibuike, 2023). However, their ability to thrive hinges significantly on the extent to which they wield result authority, which encompasses the autonomy and empowerment to make critical decisions impacting their operations and outcomes (Kaya & Kocoglu, 2017). Result authority is a multifaceted concept that encompasses decision-making autonomy, goal-setting capabilities, and the capacity to implement objectives effectively (Perry, 2021). Understanding the dynamics of result authority within the SME landscape is crucial for elucidating its influence on organizational performance and sustainability.

The primary aim of this study is to delve into the effect of result authority on the performance of SMEs operating within Enugu State. This entails an in-depth exploration of how decision-making targets and objective implementation practices shape the output and profitability dynamics of these enterprises. Decision-making targets refer to the strategic goals and objectives set by SMEs, which guide their operational decisions and resource allocation processes (Shamsudin, et al., 2020). Meanwhile, objectives implementation pertains to the extent to which SMEs translate their strategic goals into tangible actions and outcomes, thereby influencing their profitability and overall performance (Fadeyi, Maduenyi and Ajagbe, 2015). By dissecting these specific facets of result authority, this study seeks to offer insights into the mechanisms through which SMEs can enhance their operational effectiveness and competitiveness in the dynamic business environment of Enugu State.

In Enugu State, SMEs play a pivotal role in driving economic growth, fostering job creation, and stimulating innovation across various sectors. However, despite their potential contributions, many SMEs encounter challenges related to limited access to resources, regulatory constraints, and inadequate strategic management practices (Achara, 2024). Against this backdrop, understanding the nexus between result authority and SME performance assumes heightened significance. Hence the study examines the effect of result authority on the performance of SMEs in Enugu State.

Statement of Problem

The significance of small and medium-scale enterprises (SMEs) cannot be overstated, as they serve as vital contributors to economic growth, job creation, and poverty alleviation. However, despite their importance, SMEs in the region face numerous challenges that impede their performance and long-term sustainability. One such challenge is the lack of comprehensive research examining the influence of result authority on SME performance. Result authority, encompassing the autonomy and empowerment to make critical decisions impacting operations and outcomes, remains relatively underexplored within the Enugu State context. This gap in the literature underscores the need for empirical investigation to elucidate the role of result authority in shaping SME performance and resilience in Enugu State.

A key aspect of result authority that warrants attention is the concept of decision-making targets and objectives implementation within SMEs. Decision-making targets refer to the strategic goals and objectives set by SMEs to guide their operational decisions and resource allocation processes. However, the specific impact of decision-making targets on SME performance in Enugu State remains unclear due to limited empirical research in this area. Similarly, objectives implementation, which involves translating strategic goals into tangible actions and outcomes, is recognized as a crucial component of result authority. Nevertheless, the extent to which effective objectives implementation influences SME performance in Enugu State remains largely unexplored. Addressing these gaps in the literature is essential for understanding the dynamics of result authority within the SME landscape and informing evidence-based policies and strategies to support SME development in Enugu State.

By delving into the nuances of result authority, decision-making targets, and objectives implementation, this study seeks to contribute to the existing body of knowledge on SME management and economic development in Enugu State, Nigeria. The findings of the research are expected to provide actionable insights for policymakers, business

leaders, and other stakeholders seeking to enhance the performance and sustainability of SMEs in the region. Ultimately, by addressing these research gaps, the study aims to support the growth and resilience of SMEs in Enugu State and contribute to the broader discourse on SME management and economic development in Nigeria.

Objectives of the Study

The main objective of the study was to examine the effect of result authority on the performance of small and medium scale enterprises in Enugu State. The specific objectives of the study are to;

- i. Examine the effect of decision-making targets on the output of SMEs in Enugu State.
- ii. Evaluate the effect of objectives implementations on the profitability of SMEs in Enugu State.

Research Questions

The following research questions guided the study;

- i. What is the effect of decision-making targets on the output of SMEs in Enugu State?
- ii. What is the effect of objectives implementations on the profitability of SMEs in Enugu State?

Statement of Hypotheses

The following hypotheses guided the study;

- i. Decision-making targets have no significant effect on the output of SMEs in Enugu State.
- ii. Objectives implementation has no significant effect on the profitability of SMEs in Enugu State.

Significance of the Study

The study's findings have significant implications for key stakeholders in Enugu State's SME ecosystem. Policymakers can utilize insights to develop targeted policies, while business owners can make informed decisions to optimize operations. Investors can assess the viability of SME investments, fostering access to finance. Ultimately, this study contributes to enhancing SME resilience, competitiveness, and economic development in Enugu State.

Scope of the Study

The scope of this study is focused on examining the effect of result authority on the performance of small and medium-scale enterprises (SMEs) specifically within Enugu State, Nigeria. The study will analyze the influence of decision-making targets and objective implementation on SME output and profitability. It encompasses SMEs across various industries and sectors operating within the geographical boundaries of Enugu State. The study will primarily utilize quantitative research methods to gather and analyze data, with a focus on surveying SME owners, managers, and stakeholders.

Review of Related Literature

Conceptual Review

Result Authority

Authority means the power that obligates group of peoples to comply order, discipline is the ability to impose quick and automatic comply with the orders. In the sense of sociology, politics, and law, means to rehearsal of the legitimacy ruling that leading the political society, it is incorporeity, and tangible power that materialize the community will leading and controlling their behaviour to the realize the overall objectives as well as personal ones (Eltigani, Hassan & Maruod, 2020). Results authority is based on the ability to achieve certain targets and objectives. It is created when people consistently achieve positive results using their unique skill sets (Perry, 2021). Result authority, also referred to as pragmatic authority, is a concept that describes the influence or power gained through successful actions or achievements. Here, authority is not inherent to a position or title, but rather earned by consistently delivering positive results. People tend to trust and follow those who have a proven track record of success.

Decision-making

Decision-making can be identified as a mental process that leads to the selection of an option from a set of possible options (Wu et al., 2017). Collective decision-making is a process in which each person has an opportunity to influence and decide on their work and group tasks (Xu et al., 2022). Due to the rapid changes in the environment, the decision-maker should have complete mastery of all issues, sciences, and technologies to be able to find the best solution to solve the problem or make good use of the situation (Chen et al., 2021). Daft (2008) defined decision-making as the process of identifying problems and opportunities and then resolving them. Decision-making involves efforts both before and after the actual choice (Teryima, Faajir & Emakwu, 2018) for instance, the decision as to whether to select a candidate requires the accounting manager to ascertain whether a new junior auditor is needed, determine the availability of potential job candidates, interview candidates to acquire necessary information, select one candidate, and follow up with the socialization of the new employee into the organization to ensure the decision's success.

Implementation of Objectives

According to Adulu and Njuguna (2020), effective implementation of a strategic plan or objectives depends on the learning and development opportunities available to the staff members who serve as the actual implementation foot soldiers. The emphasis on transparency, teamwork, equity, trust, ongoing improvement, and risk-taking is required for this learning orientation. Implementation refers to the process of converting inputs-financial, information, materials, technical, human, demands, support, etc. into output. According to him, it is the stage where the earlier preparation and designs, plans and analyses are tested in the harsh light of reality and where policy content and the impact on people could be substantially altered or even negated by the political and administrative process (Elenwa, 2020). Implementing objectives in an organization is a strategic process that necessitates careful planning, communication, and monitoring to ensure alignment with the organization's mission and vision. One of the fundamental aspects of this process is ensuring that objectives are closely aligned with the organization's overall strategy, thereby contributing directly to the achievement of its long-term goals (Orgvue, 2023).

Performance

As highlighted by Fadeyi, Maduenyi, Oke, and Ajagbe (2015), and reinforced by Jenatabadi (2015), the concept of organizational performance is subject to extensive debate among theorists and researchers, despite its frequent mention in empirical studies. This ongoing discourse is attributed to the diverse interpretations of the term, which has hindered the establishment of a universally accepted definition. Nevertheless, Organizational Performance (OP) can be understood as the efficient coordination of a structured collective endeavour aimed at producing a desired outcome (Agwu, 2016 & Nnamani, Ugwu, & Oluka, 2023). Similarly, Aka (2017) posits that OP reflects an

organization's effectiveness and efficiency, where effectiveness pertains to the attainment of set goals or tasks, and efficiency refers to the optimal utilization or maximization of resources. This perspective is corroborated by Kaldeen, Samsudeen, and Hassan (2020), who suggest that organizational performance signifies the achievement of predefined objectives through the collective efforts of individuals or groups within the organization. Conversely, Muller, Smith, and Lillah (2018), along with Sonnentag (2003), propose a multidimensional understanding of OP that encompasses both task-oriented and contextual aspects.

Output

Output encapsulates the tangible and intangible results of processes undertaken within the organization. It serves as a metric to evaluate the effectiveness and efficiency of operations (Grant, 2016; Ile, Otti, and Mbah, 2023). These outputs can manifest in various forms, ranging from physical goods in manufacturing industries to services and intellectual property in knowledge-based sectors. For instance, a manufacturing company's output may encompass finished products like automobiles, electronics, or packaged food items. Conversely, service-oriented businesses may produce outputs in the form of consultancy services, healthcare treatments, or financial advice (Grant, 2016 & Nnamani, Ugwu, & Oluka, 2023). Output refers to the amount or level of goods or services generated by a business within a specific timeframe. This encompasses physical products crafted by the SME, like items sold to consumers, alongside intangible services rendered, such as consulting or professional assistance (NBS, 2020).

Profitability

Profitability is a core measure of the performance of a firm and it constitutes an essential aspect of its financial reporting. It reveals the firm's ability and capacity to generate earnings at a rate of sales, level of assets and stock of capital in a specific period of time (Margaretha and Supartika, 2016). Profitable firms create value, hire people, tend to be more innovative, and more socially responsible and are beneficial to the entire economy through payment of taxes (Odusanya, Yinusa and Ilo, 2018). A business's profit is what remains after paying all costs directly associated with generating the revenue, such as those associated with creating a product, as well as additional costs associated with carrying out its daily operations (Yusuf, et al., 2018).

Conceptual Framework

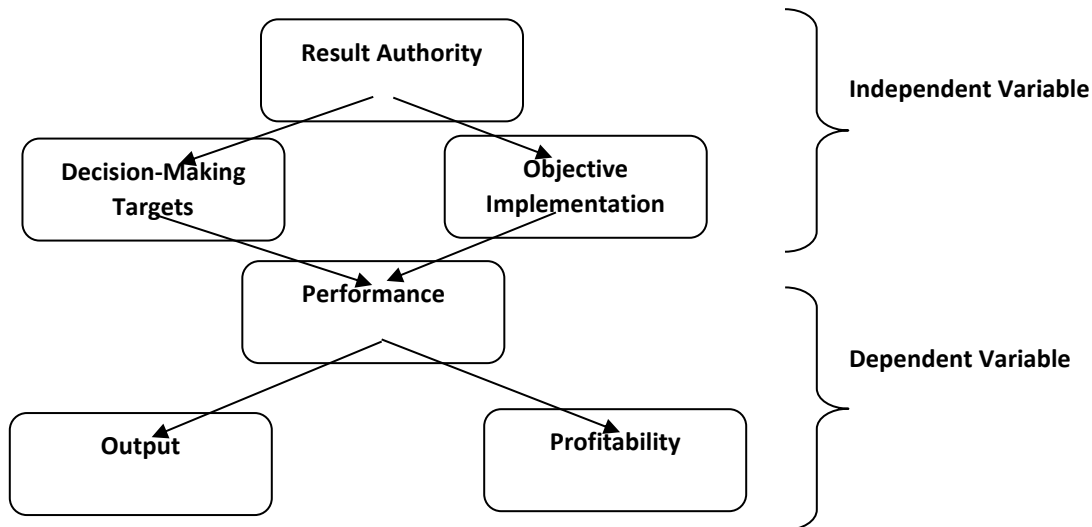


Figure 1: Conceptual Linkage of Study Variables

Result authority serves as the overarching framework within which decision-making targets and objectives implementation operates. The study aims to elucidate how result authority influences SME performance by examining the interplay between decision-making targets, objectives implementation, and organizational outcomes

such as output and profitability. By exploring these linkages, the study provides valuable insights into the mechanisms through which result authority shapes the performance of SMEs in Enugu State.

Theoretical Framework

The study reviewed two theories in line with the objectives. However, the study is anchored on the Agency theory. Agency Theory provides a robust framework for understanding the relationship dynamics between principals (owners/shareholders) and agents (managers) within organizations, particularly in the context of decision-making authority (Jensen & Meckling, 1976). Result authority, as a key aspect of decision-making delegation, directly aligns with the central tenets of Agency Theory by empowering managers to make decisions that serve the interests of the organization and its stakeholders (Jensen & Meckling, 1976). Therefore, anchoring the study within Agency Theory allows for a nuanced examination of how result authority influences SME performance, shedding light on the mechanisms through which decision-making autonomy impacts organizational outcomes.

- i. Agency Theory (Jensen and Meckling, 1976)
- ii. Resource Dependency Theory (Pfeffer and Salancik, 1978)

Agency Theory

Agency Theory, introduced by Michael C. Jensen and William H. Meckling in 1976, elucidates the intricate relationship dynamics between principals (owners/shareholders) and agents (managers) within organizations (Jensen & Meckling, 1976). This theoretical framework posits that inherent conflicts of interest arise due to divergent goals and incentives between principals and agents. Managers, driven by self-interest, may prioritize their own objectives over those of shareholders, leading to agency costs such as moral hazard and adverse selection (Jensen & Meckling, 1976). Result authority, a pivotal component of decision-making delegation, holds substantial promise in mitigating these agency problems. Empowering managers with decision-making autonomy aligned with organizational objectives can alleviate information asymmetry and reduce opportunistic behaviour, consequently enhancing SME performance (Jensen & Meckling, 1976). Thus, investigating the effect of result authority on SMEs in Enugu State provides valuable insights into the practical application of agency theory principles within the realm of small business operations.

Resource Dependence Theory

Resource Dependence Theory, first conceptualized by Pfeffer and Salancik in 1978, offers a lens through which to understand organizations' dependence on external resources for survival and success (Pfeffer & Salancik, 1978). This theoretical framework posits that organizations strive to minimize uncertainty and secure critical resources by forging relationships with external entities such as suppliers, customers, and regulatory agencies (Pfeffer & Salancik, 1978). Result authority, as explored in the study on SMEs in Enugu State, assumes a pivotal role in managing resource dependencies and bolstering organizational performance. By delegating decision-making power to managers regarding resource allocation, strategic partnerships, and market positioning, result authority diminishes SMEs' reliance on external entities and enhances their autonomy (Pfeffer & Salancik, 1978). Consequently, SMEs can navigate resource uncertainties adeptly and capitalize on growth opportunities. Thus, the investigation into the impact of result authority on SMEs contributes to our understanding of how resource dependence theory principles manifest in the context of small businesses in Enugu State.

Empirical Review

Decision-Making and Output

Teryima, Faajir and Emakwu (2018) examined the impact of the Managerial decision-making process on organisational Performance attainment with a study of Nigeria Breweries plc Lagos and Guinness Breweries Nigeria plc Lagos. Both primary and secondary sources of data collection were utilized for the study. Specifically for the primary source, five-point Likert scale questionnaires were used in obtaining the opinions of the respondents (i.e. strongly agree, 5, agree, 4, undecided, 3, disagree, 2, and strongly disagree, 1). Two hypotheses were formulated and analyzed using the Multiple Regression test. The study findings revealed that the managerial decision-making process adopted by Breweries firm i.e. programmed decisions, non-programmed decisions, and group decisions amongst others have impacted the performance output of the organization in Nigeria. The Second finding revealed that judgment shortcuts, systematic biases, and errors allowed by decision makers and managers have significantly distorted the quality of managerial decision-making processes on Performance attainment for the two Breweries manufacturing companies. The judgment shortcuts and errors are; overconfidence bias, conformation bias, anchoring bias, availability bias, randomness error, winners curse, hindsight bias, base rate bias, loss aversion bias and risk aversion bias amongst others.

Eltigani, Hassan and Maruod (2020) evaluated the role of authority delegation in enhancing the administration in making decisions. Primary data were collected via a constructed questionnaire covering 105 DAL group directors and employees selected randomly. The study was conducted in DAL group in Khartoun North in the period between 2015-2018. Descriptive statistics was used to analyze collected data. The results showed that, 71.4 % of respondents were agreed that there is effective authority delegation. 81.9 % of respondents were agreed that delegated persons had high efficiency. 58.1 % of respondents agreed that authority delegation makes decision in the right time, 37.0 % of respondents agreed that the centralization of authority detain decision taking, and 42.0 % disagreed. Study correlation results showed that, there was strong correlation between authority's delegation and the effectiveness of decision making, second finding there was positive statistical indication between authority delegation and the quickness of taking decision. The study concluded that proved statistical indicator between authority delegation and the effectiveness of taking decision at proper time, results proved strong statistical correlation between authority delegation and the quickness of decision taking.

Ajenifuja (2021) examined the effect of participative decision making process on employees' performance in the organization using Zenith Bank Nigeria Plc as a case study. The population of study comprised managers and employees of Zenith Bank PLC. The sample for the study was given as 133. Out of the 133 questionnaires administered to the participants only 110 were returned while 23 were not returned. The study was analyzed using tables and percentages while the three hypotheses were tested with the aid of ANOVA. The result from the research showed employees' participation in decision making has positive effect on their performance. This study recommends that organizations are inspired to design their firm in such a way that it will boot free flow of decision making in their organization and give room for full involvement of their employee to participate and create efficiency on organizational decision making process.

Mambula, Francis and Oaya (2021) examined the relationship between involvements in decision making and organization productivity. Employee involvement decision making (EIDM) is the extent in which employers allow its employees to involve in organizational decision making. The study was designed to investigate Deposit Money Bank in Yola (Access Bank). The focus of the study was to find out how involvements in decision making were handled in the organization. The simple and purposive sampling techniques were used to obtain a sample of 50 respondents for study, the questionnaire consisting of 20 questions on the various employee involvements in decision making in an organization and the data collected were analysed using tables and percentages. Finding from the study indicated that employee involvement in decision making is an effective tool to enhance productivity. The research revealed that allowing all employees to involve in decision making is the best and help increases commitment of workers as well as promoting creativity and innovation in the organization.

Mirbagheri, Atani and Parsanejad (2023) examined the relationship between common rationality, collective decision-making, and productivity. Structural equation modeling (SEM) is used to investigate the strength of these relationships. After the distribution of 98 questionnaires among organizational experts we used Smart PLS 2.0 to analyze the data. The results show that the indirect relationship between common rationality and productivity through a mediating variable of collective decision-making is stronger than the direct effect of common rationality on productivity. It means that common rationality as a substantial asset for an organization could be used to improve productivity but if managers want to utilize this asset, they should apply it through another mediator which is collective decision-making. Collective decision-making could facilitate the relationship between common rationality and productivity by creating synergy among employees, reducing biases, increasing decision quality, and reaching the optimal decision.

Objectives Implementation and Profitability

Fane and Bagayoko (2019) examined the impact of key success factors on profit performance. The quantitative and qualitative methods, primary data collected by questionnaires and interviews are used. Secondary data are obtained from articles, journals and online resources. The research framework was analysed using multiple regression models. A hypothesis test is adopted to accept or reject the hypothesis formulated in this research. Excel software have been used to perform the test, the measures of p-value, coefficient of determination, the adjusted coefficient of determination, the degree of freedom, the coefficient of Fisher and its critical value. The results suggest that key success factors have a significant impact on profit performance. Key success factors have a positive impact on profit performance is a valid hypothesis.

Okolocha (2020) examined the effect of management by objectives (MBO) on the organizational productivity of commercial banks in Nigeria. This study adopted a survey research design. The population of the study consists of seven (7) selected commercial banks in Onitsha, Anambra State, Nigeria. The two research hypotheses were tested with ordinary least square with aid of e-view 9.0. The study found that employee's participation has contributed positively in settings organizational productivity but not statistically significant of commercial banks in Nigeria at 5% level of significance. Also, employee's compensation has positive effect on organizational productivity but is not statistically significant for commercial banks in Nigeria at 5% level of significance. Based on this, bank management should keep compensating for successes achieved by their employees. This will encourage them to perform better; hence lack of motivation may lead to employees less productivity.

Afinindy, Salim and Ratnawati (2021) examined the effect of profitability, firm size, liquidity, and sales growth on firm value in food and beverage companies listed on the Indonesia Stock Exchange (IDX) for the 2013-2018 period, either directly or indirectly through the capital structure. This research is used with a quantitative approach. Sampling using purposive sampling method. Partial Least Square (PLS) is used for analysis and hypothesis testing, then several tests are also carried out for the capital structure variable as a mediating variable. The results showed that firm size and sales growth did not increase the capital structure and firm value. Profitability does not affect the capital structure, but it does affect firm value. Meanwhile, liquidity affects the capital structure, but not firm value. And capital structure affects firm value. The results of the mediation test show that the capital structure is only able to mediate the effect of liquidity on firm value. This explains that the implementation of good liquidity can improve the capital structure generated by the firm, so that the firm value also increases, which ultimately investors respond positively.

Ali, Kiran and Baloch (2021) investigated the importance of strategic planning in attaining a competitive advantage in SMEs of Pakistan. The data was collected from different SMEs in Pakistan based on non-probability purposive sampling technique; the data was collected through questionnaires. Descriptive statistics, correlation matrix, and linear regression model were applied for analysis. The independent variables were the Vision statement, mission statement, objectives, values and SWOT analysis. According to the results of the study vision statement, mission statement, and objective were found to be insignificant in achieving competitive advantage whereas, a positive and significant relationship was found for the value statement and SWOT analysis with competitive advantage. The results of the study suggested that in Pakistan less attention is paid to the development of vision and mission statement which might be the cause of a high percentage of failure among many SMEs in Pakistan.

Delvira and Kurniawan (2022) analyzed the effect of Enterprise Resources Planning system implementation on the profitability of firm value. This research sample uses purposive sampling with criteria manufacturing corporations have listed in BEI for three years, 2017-2019. This research uses a quantitative method such as analyzing descriptive and hypothesis tests with partial, simultaneous, chi-square, and paired sample t-tests. This research proves that not every variable can be affected by ERP. Partially ratio ROE is a significant variable before and after ERP implementation. Paired sample t-tests have significant variables ROA, ROE, and ROI have significant differences between before and after implementation ERP showed by profitability.

Summary of Empirical Review and Gap in Knowledge

A knowledge gap emerges from the reviewed studies regarding the direct relationship between decision-making targets, objective implementation, and small and medium-scale enterprise (SME) performance. While existing research has explored various aspects of decision-making processes in organizational contexts, such as managerial decision-making and authority delegation, none have specifically addressed how decision-making targets and objective implementation impact SME output and profitability. Thus, further research is needed to investigate this relationship directly, particularly within the context of SMEs in regions like Enugu State. Such studies would provide valuable insights for SME stakeholders and contribute to a deeper understanding of the factors driving SME success.

Methodology

The area of the study comprised of selected small and medium Enterprises in Enugu state. The choice of the firms was due to high number of staff and capital base above 15 million naira. The study used the descriptive survey design approach. The primary source of data was the administration of questionnaire. A total population of 914 selected staff of the study organisations. The adequate sample size of two hundred and Seventy (270) using Freund and William's statistic formula at 5 percent margin of error. Two hundred and sixty one (261) employees returned the questionnaire and accurately filled. That gave 97 percent response rate. The validity of the instrument was tested using content analysis and the result was good. The reliability was tested using the Pearson correlation coefficient (r). It gave a reliability co-efficient of 0.810 which was also good. Data was presented and analyzed by mean score (3.0 and above agreed while below 3.0 disagreed) and standard deviation using Sprint Likert Scale. The hypotheses were analyzed using Pearson correlation coefficient (r).

Data Presentation

The effect of decision-making targets on the output of SMEs in Enugu State

Table 1: Responses on the effect of decision-making targets on the output of SMEs in Enugu State

		5	4	3	2	1	ΣFX	-	SD	Decision
		SA	A	N	DA	SD		X		
1	Clarifying problems or questions promotes productivity of the SMEs.	625	176	144	38	25	1008	3.86	1.343	Agree
		125	44	48	19	25	261			
		47.9	16.9	18.4	7.3	9.6	100%			
2	Able to gather information enhances knowledge of the SMEs and helps expansion.	695	141	93	34	27	990	3.97	1.360	Agree
		139	47	31	17	27	261			
		53.3	18.0	11.9	6.5	10.3	100%			
3	The evaluation of the options aids business direction of SMEs.	640	188	123	40	25	1016	3.89	1.346	Agree
		128	47	41	20	25	261			
		49.0	18.0	15.7	7.7	9.6	100%			
4	Generating and comparing solutions helps in the outcomes of the business.	700	236	72	50	13	1071	4.10	1.206	Agree
		140	59	24	25	13	261			
		53.6	22.6	9.2	9.6	5.0	100%			
5	Choosing and implementing a solution promotes the success of the business.	785	252	39	18	19	1113	4.26	1.175	Agree
		157	63	13	9	19	261			
		60.2	24.1	5.0	3.4	7.3	100%			

Total Grand mean and standard deviation	4.016	1.3382
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Source: Field Survey, 2024

Table 1, 169 respondents out of 261 representing 64.8 percent agreed that Clarifying problems or questions promotes productivity of the SMEs with mean score 3.86 and standard deviation of 1.343. Able to gather information enhances knowledge of the SMEs and helps expansion 186 respondents representing 71.4 percent agreed with mean score of 3.97 and standard deviation of 1.360. The evaluation of the options aids business direction of SMEs 175 respondents representing 67.0 percent agreed with mean score of 3.89 and standard deviation of 1.346. Generating and comparing solutions helps in the outcomes of the business 199 respondents representing 76.2 percent agreed with mean score of 4.10 and 1.206. Choosing and implementing a solution promotes the success of the business 220 respondents representing 84.3 percent agreed with a mean score of 4.26 and standard deviation 1.175.

The effect of objectives implementations on the profitability of SMEs in Enugu State

Table 2: Responses on the effect of objectives implementations on the profitability of SMEs in Enugu State

		5	4	3	2	1	ΣFX	-	SD	Decision	
		SA	A	N	DA	SD		X			
1	Proper setting of goals enhanced income generation of the SMEs.	740 148 56.7	280 70 36.8	27 9 3.4	38 19 7.3	15 15 5.7	1100 261 100%	4.21	1.170	Agree	
2	The analyzing of the environment effectively promotes better outcome.	660 132 42.9	308 77 35.8	33 11 5.8	26 13 4.4	28 28 11.1	1055 261 100%	4.04	1.311	Agree	
3	The identifying of the alternatives helps in attracting more income after evaluation.	755 151 57.9	288 72 27.6	27 9 3.4	26 13 4.4	16 16 6.7	1112 261 100%	4.21	1.255	Agree	
4	Implementing the decision brought more customers that helps make profit.	685 137 52.5	304 76 29.1	27 9 3.4	46 23 8.8	16 16 6.1	1078 261 100%	4.13	1.205	Agree	
5	Effective monitoring and assessing added to the decision making capabilities which promotes sales.	590 118 45.2	344 86 33.0	27 9 3.4	58 29 11.1	19 19 7.3	1038 261 100%	3.98	1.262	Agree	
Total Grand mean and standard deviation								4.114	1.2406		

Source: Field Survey, 2024

Table 2, 218 respondents out of 261 representing 93.5 percent agreed that proper setting of goals enhanced income generation of the SMEs with mean score 93.5 and standard deviation of 1.170. The analyzing of the environment effectively promotes better outcome 209 respondents representing 78.7 percent agreed with mean score of 4.04 and standard deviation of 1.311. The identifying of the alternatives helps in attracting more income after evaluation 223 respondents representing 85.5 percent agreed with mean score of 4.21 and standard deviation of 1.255. Implementing the decision brought more customers that helps make profit 213 respondents representing 81.6 percent agreed with mean score of 4.13 and 1.205. Effective monitoring and assessing added to the decision making capabilities which promotes sales 204 respondents representing 78.2 percent agreed with a mean score of 3.98 and standard deviation 1.262.

Test of Hypotheses

Hypothesis one: Decision-making targets have no significant effect on the output of SMEs in Enugu State

		Clarifying problems or questions promotes productivity of the SMEs.	Able to gather information enhances knowledge of the SMEs and helps expansion.	The evaluation of the options aids business direction of SMEs.	Generating and comparing solutions helps in the outcomes of the business.	Choosing and implementing a solution promotes the success of the business.
N		261	261	261	261	261
Uniform Parameters ^{a,b}	Minimum	1	1	1	1	1
	Maximum	5	5	5	5	5
Most Extreme Differences	Absolute	.479	.533	.490	.536	.602
	Positive	.096	.103	.096	.050	.073
	Negative	-.479	-.533	-.490	-.536	-.602
Kolmogorov-Smirnov Z		7.737	8.604	7.923	8.666	9.718
Asymp. Sig. (2-tailed)		.000	.000	.000	.000	.000
a. Test distribution is Uniform.						
b. Calculated from data.						

Decision Rule

If the calculated Z-value is greater than the critical Z-value (i.e. $Z_{cal} > Z_{critical}$), reject the null hypothesis and accept the alternative hypothesis accordingly.

Result

With Kolmogorov-Smirnon Z – value of $7.737 < 9.718$ and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms the assertion of most of the respondents that decision-making targets had a significant positive effect on the output of SMEs in Enugu State.

Decision

Furthermore, comparing the calculated Z- value of $7.737 < 9.718$ against the critical Z- value of .000 (2-tailed test at 95 percent level of confidence) the null hypothesis were rejected. Thus the alternative hypothesis was accepted which states that decision-making targets had significant positive effect on the output of SMEs in Enugu State.

Hypothesis Two: Objectives implementation has no significant effect on the profitability of SMEs in Enugu State.

		Proper setting of goals enhanced income generation of the SMEs.	The analyzing of the environment effectively promotes better outcome.	The identifying of the alternatives helps in attracting more income after evaluation.	Implementing the decision brought more customers that helps make profit.	Effective monitoring and assessing added to the decision making capabilities which promotes sales.
N		261	261	261	261	261
Uniform Parameters ^{a,b}	Minimum	1	1	1	1	1
	Maximum	5	5	5	5	5
Most Extreme Differences	Absolute	.585	.551	.604	.566	.532
	Positive	.057	.107	.111	.061	.073
	Negative	-.585	-.551	-.604	-.566	-.532
Kolmogorov-Smirnov Z		9.455	8.898	9.764	9.145	8.588
Asymp. Sig. (2-tailed)		.000	.000	.000	.000	.000
a. Test distribution is Uniform.						
b. Calculated from data.						

Decision Rule

If the calculated Z-value is greater than the critical Z-value (i.e $Z_{cal} > Z_{critical}$), reject the null hypothesis and accept the alternative hypothesis accordingly.

Result

With Kolmogorov-Smirnon Z – value of $8.588 < 9.455$ and on Asymp. Significance of 0.000, the responses from the respondents as display in the table is normally distributed. This affirms the assertion of the most of the respondents that objectives implementation had significant positive effect on the profitability of SMEs in Enugu State.

Decision

Furthermore, comparing the calculated Z- value of $8.588 < 9.455$ against the critical Z- value of .000 (2-tailed test at 95 percent level of confidence) the null hypothesis were rejected. Thus, the alternative hypothesis was accepted which states that objectives implementation had significant positive effect on the profitability of SMEs in Enugu State.

Summary of Findings

- i. Decision-making targets had significant positive effect on the output of SMEs in Enugu State $Z(95, n = 261), 7.737 < 9.718, P.< .05$
- ii. Objectives implementation had significant positive effect on the profitability of SMEs in Enugu State $Z(95, n = 261), 8.588 < 9.455, P.< .05$.

Conclusion

The study concluded that Decision-making targets and Objectives implementation had significant positive effect on the output and profitability of SMEs in Enugu State. Results authority is based on the ability to achieve certain targets and objectives. It is created when people consistently achieve positive results using their unique skill sets. Produced results in the past, it is likely do so again. This is why people consider you an authority figure. Having produced excellent results because of the previous success, you are put in charge of other projects so that they can also be successful.

Recommendations

1. The management of the Small and medium Enterprises should be involved in choosing the best course of action among alternatives. Good decision-making is essential for the success of any business. It helps to identify new opportunities, solve problems, and achieve business objectives.
2. For Employees to become more enthusiastic and spirited in their work, there is need to have a good objective that will direct the company's activities toward achieving the goals and visions of the owners.

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