

ENTREPRENEURIAL DECISION MAKING AND COMPETITIVE ADVANTAGE OF SELECTED MANUFACTURING FIRMS IN ANAMBRA STATE

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Abstract

The study examined the effect of entrepreneurial decision-making on the competitive advantage of selected manufacturing firms in Anambra State. Specifically, the study focused on assessing how strategic and operational decisions influence competitive advantage. A survey research design was adopted, with a population of 320 staff members across five manufacturing firms, from which a sample of 178 respondents was determined using Taro Yamane's formula and proportionally allocated with Bowley's method. Data were collected through a structured, close-ended questionnaire designed on a five-point Likert scale and validated by experts, while reliability was confirmed with Cronbach's Alpha. The hypotheses were tested using multiple linear regression analysis with the aid of SPSS version 23. Findings revealed that: strategic decision-making has a positive and significant effect on competitive advantage ($\beta = 0.193$, $p = 0.007$); operational decision-making has a positive and significant effect on competitive advantage ($\beta = 0.740$, $p = 0.000$). In conclusion, competitive advantage is not derived from isolated factors but from the integration of forward-looking strategies and effective operational execution. The study recommended that top management teams of manufacturing firms in Anambra State deliberately strengthen their strategic decision-making processes by institutionalizing structured frameworks such as scenario planning and resource-allocation models.

Keywords: Entrepreneurial decision-making, Strategic decision-making, Operational decision-making

1.0 Introduction

Business organizations across the world operate in increasingly competitive and dynamic environments where survival and growth depend on the ability to respond to constant change. The manufacturing sector in particular has continued to play a significant role in driving industrialization, employment, and economic stability in both developed and developing nations (Okeke et al., 2025). In Nigeria, manufacturing remains one of the vital engines of economic development, though it is also one of the sectors most affected by economic instability, infrastructural limitations, and market uncertainties. Okusanya et al. (2025) argued that firms must therefore adopt strategies and practices that can enhance their ability to withstand competition and sustain performance in a highly volatile environment. One of the most important areas of management that influences the survival and success of firms is decision-making (Haverila et al., 2025). Entrepreneurs

and managers are often required to make choices about the allocation of resources, the design of operations, and the direction of long-term strategies. These decisions are rarely straightforward since they often involve risk, uncertainty, and trade-offs. Yet, the quality of these decisions largely determines whether a firm can maintain its position in the market or fall behind competitors.

The relevance of competitive advantage in business has long been emphasized in management literature and practice. Competitive advantage is essentially the distinguishing factor that enables a firm to perform better than its rivals in the marketplace (Nwaobia&Akintoye, 2024). It may manifest in different forms such as cost leadership, product differentiation, innovation, quality enhancement, and customer responsiveness. In an era marked by globalization, digital transformation, and rapid technological advancements, firms that lack a sustainable competitive advantage often struggle to attract customers, retain market share, and generate long-term profitability (Nworie et al., 2024). For manufacturing firms in Nigeria, competitive advantage is even more critical given the harsh operating conditions, unstable power supply, high production costs, and pressure from imported goods (Okusanya et al., 2025). To build and sustain this advantage, entrepreneurs and managers must not only understand their internal strengths and weaknesses but also make timely and sound decisions that align with changing market conditions. Entrepreneurial decision-making becomes highly relevant here because it involves the ability of leaders to evaluate alternatives, anticipate outcomes, and choose paths that maximize value for the organization (Weerasekara & Bhanugopan, 2023). Decisions concerning product design, production methods, resource allocation, and market expansion can be the difference between maintaining competitiveness and losing relevance in the marketplace.

Entrepreneurial decision-making has a direct and measurable influence on competitive advantage because it shapes the strategies, processes, and capabilities of an organization. When entrepreneurs make effective strategic decisions, they create opportunities for innovation, efficiency, and differentiation, all of which are central to sustaining an edge over competitors (Click, 2023). For instance, decisions related to adopting modern technology, improving supply chain management, or entering new markets can significantly enhance the firm's ability to compete favorably (Weerasekara&Bhanugopan, 2023). On the other hand, poor decisions or delayed actions may result in wasted resources, reduced productivity, and the erosion of market share. In the manufacturing sector, operational decisions regarding production scheduling, quality control, and resource utilization are equally critical since they directly affect the cost structure and delivery performance of the firm. In a place like Anambra State where manufacturing is confronted with infrastructural challenges and stiff competition, the role of entrepreneurial decision-making becomes even more pronounced. Entrepreneurs who are able to evaluate risks, manage uncertainties, and make rational choices based on available information are more likely to guide their firms toward sustainable competitive advantage (Melović et al., 2022).

Elikwu and Mohammed (2019) argued that when decision-making processes are strategic and well-structured, firms can build strong competitive positions through innovation, quality improvement, and timely response to changes in the business environment. In this way, decision-making serves as the foundation for achieving and sustaining competitive advantage in both domestic and international markets. However, many firms face

significant obstacles that undermine effective decision-making. Entrepreneurs and managers are frequently confronted with uncertainty, infrastructural limitations, high production costs, and inadequate access to reliable data (Agrawal et al., 2025). Instead of being guided by careful analysis, decisions are often reactive, short-term, or based on intuition, leaving firms vulnerable to inefficiencies and misallocation of resources. Many manufacturing firms are still struggling with issues such as poor production planning, inconsistent product quality, and weak market positioning, all of which reflect deficiencies in managerial and entrepreneurial decision-making. The gap between what decision-making should achieve and what is currently practiced highlights a critical challenge for manufacturing firms operating in this environment.

The consequences of these challenges are evident in the declining competitiveness of many manufacturing firms in Anambra State. Inability to make effective strategic and operational decisions has led to reduced productivity, rising operational costs, and shrinking market shares (Weerasekara&Bhanugopan, 2023). Many firms fail to sustain consistent product quality, innovate effectively, or respond promptly to shifts in consumer demand, thereby losing ground to rivals both locally and internationally. This situation has broader economic implications, including job losses, weakened industrial contribution to state and national development, and reduced investor confidence in the manufacturing sector. Unless the relationship between entrepreneurial decision-making and competitive advantage is properly examined and addressed, manufacturing firms in Anambra State may continue to struggle for survival in an increasingly competitive and uncertain business domain.

1.1 Objectives of the study

The main aim of this study is to examine the effect of entrepreneurial decision-making on the competitive advantage of selected manufacturing firms in Anambra State. The specific objectives are:

1. To determine the effect of strategic decision-making on the competitive advantage of selected manufacturing firms in Anambra State.
2. To examine the effect of operational decision-making on the competitive advantage of selected manufacturing firms in Anambra State.

1.2 Hypotheses

H₀₁: Strategic decision-making has no significant effect on the competitive advantage of selected manufacturing firms in Anambra State.

H₀₂: Operational decision-making has no significant effect on the competitive advantage of selected manufacturing firms in Anambra State.

2.0 Literature Review

2.1 Conceptual Review

2.1.1 Entrepreneurial Decision-Making

Entrepreneurial decision-making refers to the process through which entrepreneurs choose among alternative courses of action when faced with uncertainty, opportunities, and risks in business activities (Weerasekara&Bhanugopan, 2023). It is shaped by the entrepreneur's capacity to recognize opportunities, evaluate potential outcomes, and act under conditions where information is often incomplete or ambiguous. Unlike routine choices, entrepreneurial decisions typically involve high levels of unpredictability, as they concern innovation, investment, market entry, or business model development (Yousfani et al., 2019). This process is distinguished by its forward-looking nature, as entrepreneurs make choices that can influence not only the survival of a venture but also its long-term growth and competitiveness.

This process is not only about logical analysis but also involves intuition, creativity, and adaptability. Entrepreneurs often rely on their ability to anticipate market trends, consumer preferences, and changes in the external environment, even when such information is uncertain. Decisions such as launching a new product, entering a new market, or pursuing a partnership are made with limited guarantees, yet they carry significant implications for the future of the firm. Thus, entrepreneurial decision-making is characterized by a blend of rational evaluation and experiential judgment, where entrepreneurs balance available data with personal judgment shaped by their experience, vision, and tolerance for risk (Mulders & Van Den Broek, 2012). In small and medium enterprises, particularly within challenging environments, entrepreneurial decision-making takes on even greater importance. Entrepreneurs are often the primary drivers of the firm's direction, making choices that affect every aspect of the business. Their ability to weigh options effectively, remain flexible, and adapt to emerging realities often distinguishes thriving businesses from those that fail (Weerasekara&Bhanugopan, 2023). In this sense, entrepreneurial decision-making forms the backbone of entrepreneurial activity, as it provides the mechanism through which ideas are transformed into practical strategies that enhance the survival and growth of enterprises.

2.1.2 Strategic Decision-Making

Strategic decision-making refers to the process through which managers or business leaders make long-term choices that shape the overall direction, goals, and positioning of an organization (Elikwu& Mohammed, 2019). These choices are typically broad in scope and affect the entire firm, rather than focusing on day-to-day operations. They determine how resources are allocated, which markets are entered or exited, and how the business intends to compete within its environment. Such decisions are usually taken by senior managers or entrepreneurs because they require careful consideration of the external environment, internal capabilities, and the long-term implications for the firm's survival and growth (Hristov et al., 2024).

Unlike routine managerial choices, strategic decisions carry a high level of significance and uncertainty. They often involve substantial investments of time, money, and resources, and once implemented, they are difficult to reverse without major consequences. For instance, entering a new geographical market, diversifying into a new product line, or forming an international alliance all represent strategic choices. These decisions demand not only analytical reasoning but also a vision of where the organization intends to be in the future (Nnaji et al., 2024). The process involves

anticipating changes in the competitive domain, considering industry trends, and aligning the firm's actions with its overall mission. The importance of strategic decision-making lies in its role in providing direction and coherence to the organization. It ensures that all departments and activities are aligned with overarching objectives, rather than working in isolation (Elikwu & Mohammed, 2019). A well-chosen strategy helps a business differentiate itself from competitors, build on its strengths, and guard against threats in the environment. By shaping the long-term trajectory of the organization, strategic decision-making ultimately determines whether the firm achieves sustained success or falls behind. It is therefore a central activity in management, requiring both analytical rigor and visionary leadership to navigate the uncertainties of an evolving business world.

2.1.3 Operational Decision-Making

Operational decision-making refers to the process of making choices that guide the daily activities of an organization (Cardil et al., 2021). These decisions are narrower in scope compared to strategic ones and are typically concerned with ensuring that the immediate functions of the business run smoothly and efficiently. They involve short-term actions that translate broader strategies into tangible outcomes, often relating to production schedules, staffing, purchasing, and customer service. Managers at middle and lower levels of the organization are usually responsible for these choices, as they are directly involved in implementing and monitoring routine tasks (Hayes, 2017).

Although they may appear less significant than long-term strategic choices, operational decisions are vital because they determine how effectively the business performs on a day-to-day basis. They ensure that resources are used efficiently, customer needs are met promptly, and organizational processes remain consistent and reliable. For example, deciding on the number of units to produce in a week, scheduling employee shifts, or determining inventory levels are operational choices. They directly influence efficiency, cost control, and the quality of output delivered to customers. Operational decision-making is often characterized by a reliance on established procedures, data, and standards (Cardil et al., 2021). It emphasizes accuracy, timeliness, and practicality, since any lapses can disrupt the smooth running of the firm. These decisions typically occur within a well-defined framework, allowing managers to act quickly and consistently in response to recurring needs. However, even though operational decisions are routine, their cumulative effect is significant. When handled effectively, they build the foundation for efficiency and customer satisfaction, which in turn supports broader organizational goals (Hayes, 2017). Thus, operational decision-making ensures that the firm's strategies are effectively translated into daily practices that sustain the competitive position of the business.

2.1.4 Competitive Advantage

Competitive advantage refers to the ability of a business to perform better than its rivals in ways that are valued by customers (Nwaobia & Akintoye, 2024). It represents the unique position that allows a firm to deliver goods or services more effectively, at lower cost, or with greater differentiation than competitors. This superiority can arise from a variety of factors such as advanced technology, superior product quality, brand reputation, efficient

processes, skilled human resources, or close customer relationships. In essence, competitive advantage reflects the reason why customers choose one company's offerings over others, enabling the firm to achieve higher performance, profitability, and sustainability (Adelekan et al., 2025).

The idea of competitive advantage is rooted in the recognition that businesses do not operate in isolation but within a field of competitors all vying for market share. To succeed, a company must identify and nurture qualities that make it stand out. This may involve cost leadership, where the firm provides products at a lower price than rivals, or differentiation, where it offers unique attributes that customers value. Once achieved, competitive advantage allows the firm to secure stronger customer loyalty, increase sales, and withstand pressures from rivals (Nwaobia&Akintoye, 2024). However, maintaining this advantage requires continuous innovation and adaptation, as competitors often attempt to imitate or surpass what has been achieved. Competitive advantage is central to the survival and prosperity of any business because it ensures relevance in the marketplace (Adelekan et al., 2025). Without it, a firm risks becoming indistinguishable from its rivals, competing only on price, and eventually losing profitability. A strong competitive edge provides the platform for long-term growth and resilience, allowing firms not only to attract and retain customers but also to expand into new markets. Ultimately, competitive advantage is the measure of how well a business positions itself in relation to others, shaping its ability to thrive in a dynamic and challenging environment.

2.2 Theoretical Framework

The Dynamic Capabilities Theory was first advanced by David Teece, Gary Pisano, and Amy Shuen in the mid-1990s (Ghemawat, 2002). The foundational paper, published in 1997, built upon the Resource-Based View of the firm but went further to argue that it was not enough for firms to merely possess valuable resources. Instead, in rapidly changing and highly competitive environments, what distinguished successful firms was their ability to renew, reconfigure, and transform their resource base over time. This perspective highlighted the role of managerial and entrepreneurial decisions in adapting to change, anticipating market shifts, and ensuring that resources remain relevant and effective in sustaining long-term growth.

The central argument of the theory is that firms must possess the capability to sense opportunities and threats in their environment, seize those opportunities through timely and effective action, and transform their operations by continuously reconfiguring resources and competencies (Bleady et al., 2018). Unlike static resources that can lose value in turbulent markets, dynamic capabilities emphasize flexibility, adaptability, and learning. The theory proposes that sustained competitive advantage is achieved not only through possession of rare resources but through the capacity to realign them in ways that fit evolving market demands (Gremme&Wohlgemuth, 2017). In this view, decision-making processes become the mechanism through which organizations orchestrate change, ensuring that resources and strategies remain aligned with external realities.

The relevance of the Dynamic Capabilities Theory to this study lies in its explanation of how entrepreneurial decision-making influences competitive advantage. Manufacturing firms in Anambra State, like many others in developing economies, operate in environments marked by uncertainty, competition, and frequent shifts in customer needs.

Decisions taken by entrepreneurs and managers about resource allocation, innovation, and operational adjustments determine whether firms can remain competitive (Mulders & Van Den Broek, 2012). By applying this theory, the study positions entrepreneurial decision-making as a dynamic capability that enables firms to not only respond to environmental pressures but also to create unique advantages that competitors may find difficult to replicate.

2.3 Empirical Review

Haverila et al. (2025) analyzed how the role of decision-making influences user satisfaction, perceived value for money, and reinvestment intentions at different levels of financial performance within the field of Big Data Marketing Analytics. As organizations increasingly leverage Big Data Marketing Analytics to align with customer needs and expectations, this study applied PLS-SEM to investigate the connections among user-focused outcomes such as satisfaction, value for money, and reinvestment intentions. The findings highlighted the importance of the decision-making role and the moderating influence of perceived financial performance. Specifically, value for money was shown to affect satisfaction, while decision-making significantly influenced both satisfaction and reinvestment intentions for individuals with either high or low perceived financial performance. All observed relationships were positive overall, though only three of them were significant for participants with low perceived financial performance.

Weerasekara and Bhanugopan (2023) explored how entrepreneurs' decision-making styles influence business performance, while also considering factors within the entrepreneurial ecosystem. Their research emphasized the mediating roles of regional entrepreneurial culture, educational support systems, and social and business networks in shaping the relationship between entrepreneurs' decision-making approaches and the financial performance of small and medium enterprises (SMEs). Data collected through an online survey of SME owners in New South Wales, Australia, were analyzed using structural equation modelling. The results demonstrated that these ecosystem factors significantly mediated the relationship, providing a more holistic understanding of how entrepreneurs' decision-making styles affect SME financial outcomes.

Click (2023) investigated decision-making logics among 220 small and micro-entrepreneurs across the United States, proposing a framework to better explain how different approaches influence relative profitability through the perspective of effectuation theory. Addressing prior gaps in the literature, the study considered the moderating role of entrepreneurs' emotions and their entrepreneurial orientation. The findings showed that effectuation positively impacts relative profitability, with both entrepreneurial orientation and affect (positive or negative) shaping the strength of the relationship between decision-making logic and business performance.

Zhang et al. (2023) conducted a meta-analysis of 31 empirical studies, encompassing over 11,600 participants, to examine the connection between causation and effectuation decision-making logics and firm performance. Their findings revealed that both approaches have a positive influence on performance, though effectuation demonstrated a slightly stronger effect overall. The analysis also identified contextual differences: causation appeared more effective in managing performance within emerging markets, while effectuation proved advantageous for firms operating under uncertain conditions.

Factors such as industry type, evaluation methods, national development level, firm size, and age were also found to moderate these relationships.

Yousfani et al. (2019) studied the relationship between entrepreneurial investors' decision-making and profitability, drawing on survey data from 150 investors in Hyderabad and Karachi. The study revealed no significant association between decision-making and demographic factors such as age or education, but it found a meaningful link between income and decision-making. Furthermore, the results suggested that investors using a combination decision-making approach achieved higher income compared to those who relied solely on rational or irrational strategies.

Adebiyi et al. (2019) investigated the relationship between entrepreneurial orientation and business performance in Nigeria using a multi-criteria decision-making approach. Data were gathered through an analytic hierarchy process (AHP)-based questionnaire distributed to entrepreneurs operating in Lagos State. The study population included 1,766 registered firms, primarily small and medium-sized enterprises, listed with the Lagos Chamber of Commerce. The sample size was determined using the Yamane formula, and respondents were selected randomly from firm owners and managers. Data were analyzed using descriptive statistics and AHP procedures to generate measures such as consistency ratio, consistency index, Lambda Max, and both local and global priority values. Through pairwise comparisons, entrepreneurs' judgments established the most influential dimensions of entrepreneurial orientation on business performance. The findings demonstrated that the AHP framework is a useful methodological tool for examining complex entrepreneurial decision-making processes and identifying priority factors for improving firm performance.

Igweh and Stephen (2019) explored the effects of entrepreneurial roles on the performance of SMEs in Nigeria. Employing a descriptive survey design, they collected data from a sample of 27 firms selected from a total of 127 businesses in Delta State. Validated questionnaires were administered to respondents, and data were analyzed using t-tests and mean deviation. Results showed that firms were performing reasonably well overall but emphasized the importance of granting employees autonomy, encouraging empowerment, and promoting proactive market behavior to strengthen organizational competitiveness.

Elikwu and Mohammed (2019) assessed how strategic decision-making influences the sustainable operational performance of small manufacturing businesses in Nigeria. Primary data were collected from owners and managers of firms located in Onitsha and Nnewi, Anambra State. The research instrument was validated for content, and reliability testing produced a Cronbach's alpha of 0.753, confirming internal consistency. A total of 153 respondents were sampled, and hypotheses were tested using ordinary least squares regression. Findings showed that managerial strategic decision-making significantly enhanced production process efficiency, reduced waste, and lowered costs, ultimately improving operational performance among small-scale manufacturers.

Yazeed (2017) examined how entrepreneurial characteristics such as self-efficacy, risk-taking, and locus of control affect the profitability of micro, small, and medium-sized enterprises (MSMEs) in Kaduna State. The study adopted a cross-sectional survey design, with data collected via questionnaires from 174 owner-managers selected from a population of 201 MSMEs using stratified and simple random sampling techniques. Data were analyzed using multiple regression in SPSS. Results indicated that all three

characteristics had a significant positive effect on profitability, leading to the conclusion that entrepreneurial traits play a crucial role in driving MSME success. The study recommended coordinated support from government agencies and NGOs to strengthen entrepreneurs' capacities and leverage their inherent traits for improved profitability.

Wingwon (2012) studied the effects of entrepreneurship, organizational capability, strategic decision-making, and innovation on the competitive advantage of SMEs in northern Thailand. Using survey data collected from 596 entrepreneurs across four provinces—Chiangrai, Chiangmai, Lamphun, and Lampang—the research employed descriptive statistics and PLS Graph for analysis. The study provided demographic hints into the entrepreneurs while highlighting how organizational capabilities and decision-making processes contributed to firm competitiveness.

Mulders and Van Den Broek (2012) investigated how entrepreneurial decision-making shapes business models. Their study compared entrepreneurs' strategic evaluations of their own business models with assessments made by researchers using the same criteria. Findings revealed differences in decision-making approaches, influenced by cognitive capacities, heuristics, biases, experience, and personality traits. The paper emphasized that entrepreneurs often rely on intuition and personal judgment, while researchers adopt more objective, data-driven methods. Using the Business Model Canvas framework developed by Osterwalder and Pigneur, the study mapped organizations across nine building blocks and conducted SWOT analyses. The authors suggested that enhancing objectivity in entrepreneurial decision-making could support stronger business model development in uncertain economic contexts.

2.4 Gap in Literature

Although several scholars such as Haverila et al. (2025), Weerasekara and Bhanugopan (2023), Click (2023), Zhang et al. (2023), Yousfani et al. (2019), Adebisi et al. (2019), Igweh and Stephen (2019), Elikwu and Mohammed (2019), Yazeed (2017), Wingwon (2012), and Mulders and Van Den Broek (2012) have examined entrepreneurial decision-making and its relationship with business outcomes across different contexts, noticeable gaps remain in the literature. Many of these studies have concentrated on areas such as Big Data Marketing Analytics, entrepreneurial ecosystems, decision-making logics, investor behavior, and entrepreneurial characteristics, with limited attention given to how entrepreneurial decision-making directly influences competitive advantage in manufacturing settings. Even where manufacturing firms have been studied, as in the work of Elikwu and Mohammed (2019), the focus has leaned more toward operational performance rather than competitive positioning. Similarly, research in the Nigerian context, such as Adebisi et al. (2019) and Igweh and Stephen (2019), primarily emphasized entrepreneurial orientation and roles without systematically linking entrepreneurial decision-making to competitive advantage. This suggests that while the broader relationship between decision-making and performance has been investigated in various ways, little effort has been made to examine how both strategic and operational decisions taken by entrepreneurs shape competitive advantage, particularly within manufacturing firms in Anambra State. This gap presents an opportunity for further research to clarify the specific effects of entrepreneurial decision-making on the ability of manufacturing firms in this region to build and sustain competitiveness.

3.0 Methodology

The study adopted a survey research design. This design was considered appropriate because it enables the collection of first-hand data from respondents using a structured questionnaire. The survey approach is widely used in business and management research as it allows the researcher to capture diverse perspectives from a relatively large number of participants within a short period of time. It is particularly suitable for this study since the objective is to examine the relationship between entrepreneurial decision-making and competitive advantage among selected manufacturing firms in Anambra State (Nworie et al., 2023; Meshack et al., 2022). The survey method also provides flexibility in data collection and allows access to respondents across different locations in the state.

The population of the study comprised staff members working in core departments of selected manufacturing firms in Anambra State. These departments include Personnel, Sales and Marketing, Research and Development, Quality and Inventory Control, Production and Operations, and Finance and Accounting. The total staff population across the five selected firms was 320. The study targeted respondents drawn from multiple levels of management, including department heads, line managers, and junior staff, as they are actively involved in or affected by entrepreneurial decision-making processes. The distribution of the population across the firms is shown in Table 3.1.

Table 3.1: Population Distribution of the Study

Name of Manufacturing Firms	Target Population Size
Ezenwa Plastic Industries Nigeria Limited, Onitsha	69
Rexton Industries Limited, Nkwelle -Ezunaka	75
Sylflora Industries Limited, Plot 10 Unique Estate, Nkwelle	60
Hardis and Dromedas Limited, Umuoya	54
Aquept Ind. Co. Limited, Awka	62
Total	320

Source: Firms' Human Resource Records (2025)

To determine the sample size, the Taro Yamane (1967) formula for finite populations was applied:

$$s = \frac{N}{1 + N(e)^2}$$

Where:

N = Population size (320)

s = Sample size

e = Error term (0.05)

$$s = \frac{320}{1 + 320(0.05)^2}$$

$$s = 178$$

$$s = 178$$

Hence, the sample size for the study was 178 respondents.

To ensure fair representation across the firms, Bowley's proportional allocation formula was used:

$$nh = (Nh \times n) / N$$

Where:

nh = number of respondents allocated to each firm

Nh = population of each firm

n = total sample size (178)

N = total population (320)

Table 3.2: Sample Allocation Using Bowley's Formula

SN	Manufacturing Firm	Applying Formula	No. Allocated
1	Ezenwa Plastic Industries Nigeria Limited	$69 \times 178 / 320$	38
2	Rexton Industries Limited	$75 \times 178 / 320$	42
3	Sylflora Industries Limited	$60 \times 178 / 320$	33
4	Hardis and Dromedas Limited	$54 \times 178 / 320$	30
5	Aquept Ind. Co. Limited	$62 \times 178 / 320$	35
Total	—	—	178

Source: Researcher's Compilation (2025)

The main instrument for data collection was a structured questionnaire designed to elicit responses from staff members. The questionnaire contained items on entrepreneurial decision-making dimensions such as strategic and operational decisions, as well as competitive advantage. All items were close-ended and rated using a five-point Likert scale ranging from "Strongly Disagree" (1) to "Strongly Agree" (5).

The questionnaire was subjected to face and content validation by experts in business administration and entrepreneurship, as well as the researcher's supervisor. Their input ensured that the items were relevant, clear, and aligned with the study objectives. The reliability of the instrument was tested using Cronbach's Alpha coefficient, and all constructs recorded values above the benchmark of 0.7, indicating satisfactory internal consistency. The data collected were analyzed using both descriptive and inferential statistics. Descriptive statistics such as frequencies, percentages, means, and standard deviations were used to summarize demographic data and provide hints into the key study variables.

To test the hypotheses, multiple linear regression analysis was conducted with the aid of the Statistical Package for Social Sciences (SPSS) version 23. Regression analysis was appropriate since the study sought to determine the extent to which entrepreneurial decision-making influences competitive advantage in the selected firms.

The regression model adopted is:

$$CA = \beta_0 + \beta_1 SD + \beta_2 OD + \varepsilon \quad \text{eqi}$$

Where:

CA = Competitive Advantage (dependent variable)

SD = Strategic Decision

OD = Operational Decision

β_0 = Intercept

β_1, β_2 = Regression coefficients

ε = Error term

The hypotheses were tested at a 5% significance level. A p-value less than 0.05 led to the rejection of the null hypothesis, signifying a statistically significant relationship. The analysis provided hints into the strength and direction of the effect of entrepreneurial decision-making on competitive advantage in manufacturing firms in Anambra State.

4.0 Data Analysis

4.1 Descriptive Analysis

Table 4.1 presents the descriptive analysis of responses obtained from the structured questionnaire administered to the respondents. Responses were measured using a five-point Likert scale, with values ranging from 1 for Very Low Extent (VLE) to 5 for Very High Extent (VHE).

Table 4.1 Analysis of Research Questions

S/N	Section A: Strategic Decision -Making	VLE	LE	N	HE	VHE	Mean
1	Our firm makes long -term decisions that guide overall business direction.	3	24	38	87	26	3.61
2	We allocate resources based on carefully planned business priorities.	3	53	27	72	23	3.33
3	Strategic choices in our firm focus on achieving sustained growth.	21	41	7	81	28	3.30
4	Top management decisions often give us an edge over competitors.	5	3	16	47	107	4.39
S/N	Section B: Operational Decision -Making	VLE	LE	N	HE	VHE	Mean
5	Our firm makes daily decisions that improve production efficiency.	6	26	46	79	21	3.47
6	Operational choices help reduce cost and time in our processes.	3	54	37	71	13	3.21
7	Managers resolve routine challenges quickly to ensure smooth operations.	20	48	5	81	24	3.23
8	Employee input is regularly used in making operational decisions.	6	–	10	41	121	4.52
S/N	Section C: Competitive Advantage	VLE	LE	N	HE	VHE	Mean
9	Our products or services stand out compared to competitors.	4	25	42	83	24	3.55
10	Customers choose our brand because of the value we deliver.	5	57	31	71	14	3.18
11	Our company has a stronger reputation in the market than others.	21	46	–	88	23	3.26
12	We have been able to retain customer loyalty consistently.	11	–	6	32	129	4.51

Source: Field Survey (2025)

Table 4.1 presents a frequency distribution of responses to research questions categorized into three sections: strategic decision-making, operational decision-making, and competitive advantage. The data, derived from a five-point Likert scale, reveals how respondents perceive their firm's practices across these domains. Beginning with strategic decision-making, the first item shows that most respondents agree their firms make long-term decisions guiding business direction, with 87 reporting a high extent (HE) and 26 indicating a very high extent (VHE). This strong leaning toward the higher end of the scale explains the mean of 3.61, suggesting a generally favorable view. The second item on resource allocation is less decisive: while 72 respondents acknowledged a high extent, a notable 53 chose low extent (LE), pulling the mean down to 3.33. Similarly, the third item on sustained growth recorded a split response, with 81 indicating high extent but 41 marking low extent. The mean of 3.30 here reflects the mixed perceptions. In contrast, the fourth item stands out: an overwhelming 107 respondents selected very high extent regarding management decisions giving them a competitive edge, pushing the mean sharply upward to 4.39, the highest within this section.

Turning to operational decision-making, responses to the fifth item on improving production efficiency show moderate consensus, with most responses clustering around the neutral (46) and high extent (79) categories, leading to a mean of 3.47. The sixth item, however, highlights some skepticism: while 71 affirmed a high extent in cost and time reduction, 54 respondents leaned toward low extent, lowering the mean to 3.21. Similarly, the seventh item—resolving routine challenges—exhibits divided opinions, with 48 choosing low extent and 81 high extent, leaving the mean at 3.23. The eighth item marks a clear contrast: employee input in operational decisions garnered overwhelming support at the very high extent level (121 responses), with only 6 at very low extent. This dominance at the top end produces a striking mean of 4.52, the highest across all items in the table.

Finally, in competitive advantage, the ninth item reveals relatively strong agreement, with most responses distributed across neutral (42) and high extent (83), giving a mean of 3.55. The tenth item on customer choice due to value shows a weaker endorsement, as 57 respondents indicated low extent while only 14 pointed to very high extent, resulting in a mean of 3.18. The eleventh item, focusing on market reputation, also reflects mixed sentiment: though 88 respondents selected high extent, 46 leaned low, leading to a modest mean of 3.26. The twelfth and final item stands out with remarkable consensus: 129 respondents affirmed very high extent for customer loyalty retention, producing a robust mean of 4.51, almost matching the highest score in the table.

4.2 Test of Hypotheses

H₀₁: Strategic decision-making has no significant effect on the competitive advantage of selected manufacturing firms in Anambra State.

H₀₂: Operational decision-making has no significant effect on the competitive advantage of selected manufacturing firms in Anambra State.

Table 4.2 Test of Hypotheses

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.872 ^a	.760	.758	1.25320

a. Predictors: (Constant), Operational Decision Making, Strategic Decision Making

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	871.654	2	435.827	277.505	.000 ^b
	Residual	274.841	175	1.571		
	Total	1146.494	177			

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), Operational Decision Making, Strategic Decision Making

Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	.999	.581		1.719	.087
	Strategic Decision Making	-.193	.071	.197	2.732	.007
	Operational Decision Making	-.740	.077	.697	9.660	.000

a. Dependent Variable: Competitive Advantage

Source: SPSS Version 26 (2025)

Table 4.2 presents the regression analysis used to test the two hypotheses on the effect of strategic and operational decision-making on competitive advantage in selected manufacturing firms in Anambra State. The first point of interpretation is the model validity statistics. The adjusted R Square of 0.758 indicates that approximately 75.8% of the variation in competitive advantage can be explained jointly by strategic decision-making and operational decision-making. This is a very strong explanatory power, suggesting that the model is a good fit for the data. The ANOVA results also confirm this, as the model is statistically significant at the 5% level ($p = 0.000$). This shows that the predictors taken together significantly explain changes in competitive advantage. The constant term, with a coefficient of 0.999 and a significance value of 0.087, is not significant at the 5% level. This means that in the absence of both strategic and operational

decision-making, competitive advantage would not be significantly different from zero. In other words, the constant does not independently contribute to explaining competitive advantage at the chosen significance level. This highlights that the explanatory power rests with the predictor variables rather than the baseline value.

Looking at strategic decision-making, the coefficient is 0.193 with a significance value of 0.007. The marginal effect here implies that for every one-unit increase in strategic decision-making, competitive advantage increases by 0.193 units, when operational decision-making is held constant. Since the p-value is below 0.05, the effect is statistically significant. Therefore, the null hypothesis (H_{01}), which states that strategic decision-making has no significant effect on competitive advantage, is rejected. This finding suggests that adopting stronger strategic decision-making practices meaningfully improves the competitive standing of the firms.

Turning to operational decision-making, the coefficient is much larger at 0.740, with a significance value of 0.000. This means that for every one-unit increase in operational decision-making, competitive advantage rises by 0.740 units, holding strategic decision-making constant. The effect is not only positive but also highly significant at the 5% level. Consequently, the null hypothesis (H_{02}) is rejected, and it can be concluded that operational decision-making has a very strong and significant effect on competitive advantage. Importantly, the size of the coefficient indicates that operational decision-making exerts a much greater effect than strategic decision-making in this model.

From the results, both hypotheses tested in Table 4.2 were rejected in favor of their alternatives, establishing that both forms of decision-making significantly contribute to competitive advantage. However, operational decision-making contributes more strongly, suggesting that day-to-day decisions on efficiency, cost reduction, and employee involvement may have a more immediate and pronounced effect on competitiveness than long-term strategic choices.

4.3 Discussion of Findings

The result showing that strategic decision-making has a positive and significant effect on competitive advantage ($\beta = 0.193$, $p = 0.007$) implies that long-term, deliberate, and structured choices taken by management contribute meaningfully to how firms in Anambra State sustain competitiveness. This is consistent with the idea that strategic decision-making sets the trajectory of firms by aligning resources, determining directions, and fostering initiatives that differentiate them from rivals. Several empirical studies lend support to this finding. For instance, Wingwon (2012) found that strategic decision-making significantly enhanced the competitive advantage of SMEs in northern Thailand by reinforcing organizational capabilities and innovation, which are critical for sustaining market relevance. Similarly, Elikwu and Mohammed (2019) demonstrated that strategic managerial decisions improved operational efficiency and cost management among small-scale manufacturers in Anambra, aligning closely with the present result. Further corroborating evidence comes from Zhang et al. (2023), whose meta-analysis revealed that causation-based strategic approaches contribute positively to firm performance, particularly in emerging markets such as Nigeria, where structured planning helps firms navigate volatility. Weerasekara and Bhanugopan (2023) also emphasized the role of decision-making styles in shaping SME outcomes, mediated

through cultural and network-based factors. Even Click (2023), while focusing on decision-making logics, confirmed that structured effectual and causal strategies both improved relative profitability, reinforcing the conclusion that strategic foresight yields measurable advantages. Together, these studies help explain why strategic decision-making, though producing a smaller coefficient than operational choices, nonetheless exerts a significant influence—it provides the structural backbone upon which firms can build and sustain market advantages.

The result indicating that operational decision-making has a positive and significant effect on competitive advantage ($\beta = 0.740$, $p = 0.000$) suggests that immediate, routine, and efficiency-oriented decisions play an even more powerful role in shaping firm competitiveness in the local context. The large coefficient shows that firms gain competitive strength directly through daily choices that affect cost structures, productivity, and responsiveness to customer and market needs. This is well supported by previous studies. Elikwu and Mohammed (2019) confirmed that operational decision-making in small manufacturing businesses enhanced production efficiency, reduced waste, and improved cost-effectiveness, directly translating into better competitive positioning. Similarly, Haverila et al. (2025) highlighted that decision-making roles significantly influenced satisfaction and reinvestment intentions, illustrating how operational choices can create immediate value for stakeholders. Adebisi et al. (2019) further reinforced this by showing how complex entrepreneurial decision-making processes, captured through analytic hierarchy procedures, identified priority operational factors that improved business performance in Lagos. In the same vein, Zhang et al. (2023) noted that effectual decision-making, often associated with operational responsiveness in uncertain environments, had a slightly stronger influence on firm performance than causation, which helps explain the high coefficient found in this study. Igweh and Stephen (2019) also highlighted the importance of empowering employees and encouraging proactive behavior—operational-level practices that directly enhance competitiveness. Collectively, these studies show that operational decision-making offers more immediate, visible, and substantial competitive benefits than strategic choices because it directly touches on efficiency, flexibility, and customer value, which are critical drivers in today's dynamic manufacturing environment.

5.0 Conclusion and Recommendation

5.1 Conclusion

The results reveal that decision-making processes within firms are not merely administrative activities but pivotal mechanisms through which competitiveness is sustained and enhanced. With both strategic and operational decision-making showing significant positive effects, the implication is that competitive advantage is deeply rooted in the quality of choices made at different organizational levels. The strength of the coefficients indicates that operational decision-making exerts a more immediate and substantial effect, underscoring the fact that day-to-day managerial and employee-driven actions—such as improving efficiency, reducing costs, and incorporating inputs from stakeholders—translate directly into tangible advantages in the market. At the same time,

the significant role of strategic decision-making, although with a smaller coefficient, implies that long-term planning, direction setting, and allocation of resources remain essential in shaping the trajectory of firms and maintaining their relevance in highly competitive environments. Together, these outcomes suggest that competitive advantage is not derived from isolated factors but from the integration of forward-looking strategies and effective operational execution. The high adjusted R square of 0.758 further implies that these decision-making practices account for most of the variations in competitive advantage, highlighting their centrality in determining firm outcomes. Hence, competitive advantage is not accidental but the product of deliberate and structured decision-making across levels of the organization. Ultimately, the results imply that firms that internalize robust decision-making frameworks—balancing both strategic foresight and operational responsiveness—are better positioned to maintain relevance, outperform competitors, and sustain growth in a dynamic and challenging business domain.

5.2 Recommendations

1. Top management teams of manufacturing firms in Anambra State deliberately strengthen their strategic decision-making processes by institutionalizing structured frameworks such as scenario planning and resource-allocation models. This will enable them to consistently make informed long-term choices that align with market opportunities and industry dynamics, ensuring that the firm's direction is not only forward-looking but also adaptable to emerging competitive pressures.
2. Line managers and operational supervisors in firms should intensify their focus on data-driven and participatory decision-making at the shop-floor level. By integrating employee feedback systems, real-time production monitoring tools, and cost-control mechanisms, they can ensure that routine choices directly enhance efficiency, reduce waste, and strengthen customer responsiveness, thereby translating daily operations into a sustainable competitive edge.

5.3 Contribution to Knowledge

This study contributes to the body of knowledge by extending the conversation on entrepreneurial decision-making beyond areas such as Big Data Marketing Analytics (Haverila et al., 2025), entrepreneurial ecosystems (Weerasekara&Bhanugopan, 2023), decision-making logics (Click, 2023; Zhang et al., 2023), investor behavior (Yousfani et al., 2019), and entrepreneurial characteristics (Yazeed, 2017). Unlike earlier Nigerian studies that focused largely on entrepreneurial orientation (Adebiyi et al., 2019) and entrepreneurial roles (Igweh& Stephen, 2019), or those that concentrated on operational performance among small firms (Elikwu& Mohammed, 2019), this research specifically examined how entrepreneurial decision-making influences competitive advantage in the manufacturing sector. By focusing on both strategic and operational decisions within selected firms in Anambra State, the study provides fresh evidence that links entrepreneurial choices to the ability of firms to create and sustain competitiveness. In doing so, it fills a clear gap in literature identified by earlier scholars (Wingwon, 2012; Mulders & Van Den Broek, 2012) who emphasized the need to better understand how decisions translate into stronger market positions.

5.4 Limitations of the Study and Suggestion for Further Studies

One limitation of this study is that it was restricted to five manufacturing firms in Anambra State, which may not fully represent all manufacturing firms in the region or across Nigeria. The use of only questionnaires also meant that responses were based on self-reporting, which may have introduced some bias or limited the depth of information collected. In addition, the study focused only on strategic and operational decisions, leaving out other possible aspects of entrepreneurial decision-making that could also affect competitive advantage.

Further studies can expand the scope by including more firms across different states in Nigeria or other countries to allow for wider comparison. Researchers can also adopt a mixed-method approach that combines surveys with interviews to gain a deeper understanding of how entrepreneurs make decisions. Future studies may explore other aspects of decision-making, such as financial or human resource decisions, to see how they influence competitive advantage in different industries.

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