CORPORATE STRATEGY AND MANAGEMENT INNOVATION AMONG ENTREPRENEURS IN SOUTH SUDAN: A CASE STUDY OF SMALL AND MEDIUM ENTERPRISES IN JUBA CITY

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DECLARATION

This Thesis is my original work and has not been presented to any other examination body or institution. No part of this work should be reproduced without my consent or that of Kenya Methodist University.

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I dedicate this Thesis to the almighty God for the blessings He has accorded to me and also to my lovely family for their firm support throughout this academic journey.

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Above all, I am thankful to the Almighty God for availing an opportunity and strength to pursue my education. It is through His abundant grace which has enabled me to accomplish / complete this Thesis.

ABSTRACT

The aim of this research project is purpose to find out if allocation of resources influence management innovation, establish whether portfolio management affect management innovation, investigate if strategic tradeoffs affects management innovation and to what extend do planning flexibility affect management innovation among entrepreneur at the republic of in South Sudan with a case study of small and medium enterprises in capital City Juba. Target population includes all the small and medium enterprises operating in Juba City which were 12,654 in total. The study adopted descriptive research design. A size which was used for sampling method consisted of 96 SMEs determined with the helped of Cochran formula. The source of data collection was mainly primary data and it was collected using a self-administered questionnaire. The questionnaire was structured, having only closed-ended questions. The collected data was analysed through quantitative methods of descriptive and inferential statistics such as multiple regression as well as correlation models. The tool used was statistical package for social sciences version 24. The findings/results established were presented in forms of tables and figures. The research study found that resource allocation had a significant positive influence on management innovation of SMEs in Juba City; portfolio management also had a significant positive influence on management innovation of Small Medium Enterprises in Juba City, Sudan; Strategic tradeoffs too had a significant positive influence on management innovations of SMEs in Juba City, Sudan and planning flexibility also has a positive and significant effect on management innovation of SMEs in Juba City, Sudan. The recommendations of the study were SMEs in Juba City should enhance their resource allocation practices such as encouraging innovative behavior to promote management innovation, to measure performances against subjective strategic criteria like progress on product innovations and investing in technological resources such as information technology infrastructure to ; increase their portfolio management practices such as risk taking behavior for expansion of business, and assets allocation to profitable ventures ; enhance adoption of the strategic tradeoff practices such as giving priority to various productive ventures at the expense of the unproductive ventures and substituting ventures with low returns to maximize returns ; improve on their planning flexibility practices such as adopting emergence of a new technology, adjusting with speed to the changes the in conditions of economic and countering entrance for new arrivals in the market with higher competition at higher speed.

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LIST OF ABBREVIATIONS

AR	Allocation of Resources
MI	Management Innovation
PF	Planning Flexibility
PM	Portfolio Management
RBV	Resource-Based View
SACCOs	Savings and Credit Co-Operative Society
SMEs	Small and Medium-sized Enterprises
SPSS	Statistical Package for Social Sciences
ST	Strategic Tradeoff

CHAPTER ONE/1: INTRODUCTION

1:1. Research Study background

Most management innovations concentrate on just improving the existing practices and having modifications here and there without necessarily reinventing the will. Others however change the will and come up with new practices thus making the previous way obsolete completely. In the last 20 years, studies have focused on finding out how innovations have been used by firms to cope with the changing world. Studies have directed focus towards finding out how firms are managing management innovation for the last 20 years. With a failure to come up with a suitable innovation, most businesses collapse in the process of trying to adopt.

It has been argued that only those firms that are able to construct resilient structures and innovations can withstand the changes in the environment and be able to survive in the long run when the market of competition is turbulent. Through innovations, sustainable competitive advantage is born (Chakravarthy, 2007). However there is an argument that the corporate strategic management-intensive firms have a workforce with highly qualified and engaged in corporate strategy work. When managers of a firm are able to dedicate their human, physical, capabilities and financial resources to the strategic direction of the firm touching on innovation, then they are likely to have sustainable growth.

In as much as the behaviour of the managers determines their managerial success, operational and strategic decision making is what will determine the growth and sustainable competitive advantage of the firms in the medium and long run. According to Andreeva and Kianto (2011) corporate strategy intensities have innovations as well as other necessary skills which are critical to the success of a business in the long through sustainable competitive advantage.

The corporate-level strategies are concerned with firm long-term objectives on how the firm competes in a selected market and maximize resource productivity Pearce and Robinson (2011), mentioned that the strategies which are developed and performed at the highest different kind of the firm levels and aims at providing grand strategies that influence firm performance Cernas (2011), therefore the corporate strategies include; market development strategy, expansion strategy, concentration strategies, products developmental strategies, integration strategy, liquidation strategies, divestiture, strategy for stability , innovation strategy, and retrenchment strategy whichever is overarching. Pearce and Robinson (2011) explained that the major role of the strategies is to direct the firm business towards the attainment of its long-term objectives.

The main work for corporate executives is to ensure that the organization exist at any cost despite it challenges. Hence, different top practitioners as well as strategic management scholars have call attention on the essentials of corporate strategy. Accordingly, the section shall focus on this important concept of strategy as a backbone for understanding the corporate strategy development process. In the Ansoff growth Matrix. Ansoff and McDonnell (1990) argued that through a strategy, an organization is able to align itself to its external environment. It is a resourceful plan to link an organization to its future positions and directions. To achieve that, a set of critical decisions are required in form of a strategy. A good strategy not only embraces all the important activities of the firm, but also provides direction to manage the changes in the environment.

A according to Porter (1980) strategies is define as determining the goals which are long term in nature for a firm together with the objectives as well as coming up with a plan to achieving it before allocating resources towards realizing the same. A strategy, generally, refers to the means through which a firm's purpose is established in order to be able to realize the set targets. Through a strategy, organizations are in a position to focus their resources Pearce and Robinson (2007); it's only through a strategy that managers are able to realize key tasks that the organization needs in order to perform better. Through strategy, an organization is also able to outwit its competitors and secure competitive edge Porter (1980); other scholars such as Pearce and Robinson (2007) indicate that the long term direction of the firm can be shaped through a strategy. It's only a strategy which can help a firm to navigate the highly competitive environment of operation.

Adoption of corporate strategy management leads to a strong development of various managerial practices such as HR, finance and marketing which are critical in moving the business forward. A management innovation strategy involves a firm's choices cutting across development of technology. The development of this strategy in a company can be instigated by one individual or the enterprises that exists Chakravarthy (2007), however innovativeness of a firm indicates strong influence on the organizational status. Innovative firms stress the importance of strategic management by giving their managers training, placing greater emphasis on adopting innovative organizational structures and greater emphasis on total quality management (Chakravarthy, 2007).

Pearce and Robinson (2007) acknowledge that businesses operate in a system which has competition and freedom and hence it is hard to compete. The successful companies are those which are in a position to come up with good strategies and be able to innovate. Firms which can direct their efforts strategically stand a chance of achieving competitive advantage. They should be in a position to predict what their competitors are likely to do and focus on bettering it in advance. The responsibility of the managers to observe market trends and be able to establish specific new developments required to spur growth and retain competitive advantage. The managers can then track and monitor progress in order to be able to align the changes to their strategy.

According to Johnson and Scholes (2005), the environment of operation is very intense and dynamic which ensures the firms need to be innovative enough to cope with the diversity. Otherwise, they stand no chance of surviving in the market. The change needs to come even faster because the change in technology in the environment is first paced and needs faster Fas tracking. In order to survive, the firms need to interact with their environment and understand the dynamics.

Ansoff and McDonnell (1990) indicated that for a firm to be competitive, it needs to have a corporate strategy which entails investment in the resources that can aide in transforming the inputs to outputs. Apart from having the resources, there is a need to focus on understanding the market requirements and adjusting innovation activities accordingly while coordinating activities in the turbulent environment of operation. Ansoff and McDonnell (1990) further argue that in the changing environment, there is a need to direct efforts towards the customers and also towards getting a solution to the increasing turbulence. A firm also needs to have flexible strategies so that they can be able to revise their strategies accordingly when faced with changing environmental dynamics (Pearce & Robinson, 2007).

Johnson and Scholes (2005) defines a strategy as a scope and direction which aims to help an organization achieve milestones ahead of the competitors while allocating resources to achievement of activities aimed at improving the customers and stakeholders expectations in the turbulent environment. It has been indicated that corporate strategy of a firm is affected by not just the market forces but also the availability and allocation of resources and expectations of those who are likely to be affected by the strategy. Whichever way, regardless of the source of strategy whether it's from an individual, management or whether it's within the organizational culture or structure, every firm needs one in order to survive.

The variables (allocation of resources, portfolio management, strategic tradeoff, planning flexibility & management innovation) for this research are introduced as follows; resource allocation refers to the alignment of resources in achievement of various uses; Portfolio management refers to the act of decision making regarding investment from matching investment to objectives, allocating resources towards it and managing the risks involved in the performance; Strategic trade-off on the other hand refers to strategically letting go of an opportunity to venture into another which seems more resourceful than the one which is forgone. However planning flexibility refers to as an organizational a ability or capacity to alter its strategies alongside the changing environmental factors such as opportunities and threats. It basically means the ability to deviate from the originally intended plan (Evans, 2001). Management innovation is any outcome for thinking, processes, service/product of the company (Mckeown, 2008).

The concept of management innovation among SMEs has been reviewed globally. Salim and Sulaiman (2011) established that the Malaysian SMEs have allocated resources to embrace technological and market innovations as the critical factors of firm performance. In the case of Indian SMEs, Nurulhasanah, Zulnaidi and Rafisah (2015) argued that the SMEs have adopted technological innovation in order to add values to their competitive advantage over it rival in order to perform better than their counterparts.

In the Turkish context, Atalay, Anafarta and Sarvan (2013) demonstrated that SMEs in Turkey have adopted that technological innovation (product and process innovation) in order to counter the increasing competition in the market of operation. As a result, they have realized a positives significant influence or effect on the performance of the firm. Similar case is noted among the SMEs in Pakistan where Hassan, Shaukat, Nawaz, & Naz, (2013) established that management innovation was high among manufacturing SMEs to cope with the emerging trends in the modern world.

Regionally, Makanyeza and Dzvuke (2015) indicated that in Zimbabwe, the SMEs are innovative in order to enhance their competitive edge and in that period they were innovating, their sustainable growth was also increasing significantly. In that line, organizational innovation was established to positively improve performance. Specifically, organizational and product innovation are critical. In Tanzania, Ndesaulwa and Kikula (2016) similarly established that SMEs had adopted management innovation in order to improve their performance. Taking a case of Kenya, Lily and Juma (2014) established the presence of strategic innovation among Commercial banks in Kenya. It was established that due to increasing competition among commercial banks, most of them had resorted to innovative strategy.

Assefa (2008) in their survey conducted in 2008 on sampled SMEs in Ethiopia indicated that about 45% of the enterprises sampled had made orders to purchase services as well as the product through using Internet as the mean. Research study revealed that adoption of information communication technology's (ICT) in their business lead to a reduction in transaction costs, an improvement in customers' satisfaction and faster transactions. Information technology is critical in improving the productivity and growth of SMEs since it puts them in a scale that they can compete with MNCs. Through technology, SMEs are able to produce products cheaply which can compete with those from the developed economies brought in by the MNCs.

In South Sudan, the SMEs sector is still young and emerging from the adverse effects of many years of civil war which wrecked the entire country's physical infrastructure, social economic, socio-cultural and financial systems as well as displacing and impoverishing almost the entire population. Several types of SMEs institutions have arisen in South Sudan since the return of relative peace and stability after the 2005 when the comprehensive peace agreement was signed. Service providers range from companies limited by shares, companies limited by guarantees, non-profit organizations and SACCOs.

1.2 Statement of Problem

The management of internal and external changes in an organization is what makes them competitive ahead of others. These efforts may narrow down to the innovative efforts of the organization. Rapid diffusion of new technology leads to knowledge creation which can enable a firm to be competitive Hitt, Ireland and Lee (2006); management innovation is one of the strategies used by companies to enhance their competitiveness and enhance their sustainable growth.

Mintzberg (2003) argued that SMEs should have corporate strategy that aim to improve the systems put in place to counter threats in their environment of operation.

Oke (2001) also agreed that when a firm commits to management innovation, its competitive advantage improves. The SMEs in Sudan have endured mixed performance due to high competition. Adoption of innovation among SMEs is still in its infantry considering their poor performance. There was hence a need to establish the influence of corporate strategies on management innovation among SMEs in South Sudan as a republic.

1:3. Purpose of the Study

Overall objective of the research study was to establish the effect of corporate strategy on management innovation among small and medium enterprises in Republic of South Sudan.

1.4 Research Study Objective

The sub section presents general as well as specific objective of study research.

1.4.1 Objective which is generalized

Main objective of study research was to determine the effect of corporate strategy on management innovation among SMEs at the republic South Sudan

1:4:2. Objectives which are specific in nature

The specific objectives of this study were:

i. Establish how resource allocation influence management innovation among SMEs in Juba city, South Sudan

ii. To determine the effect of portfolio management on management innovation among SMEs in Juba city republic of South Sudan

iii. To examine the effect of strategic tradeoffs on management innovation among SMEs in Juba city, South Sudan

iv. Evaluate the effect level planning flexibility has on management innovation within SMEs in Juba city, South Sudan

1:5. Hypotheses for the Research Study

Research sought to answer the questions as follow:

H_{01} Resource allocation had insignificant influence on management innovation within SMEs in Juba city, South Sudan

H_{02} Portfolio Management did not necessary had an influence on management innovation among SMEs at Juba city, South Sudan

H_{03} Strategic Tradeoffs did not necessary had an influence on management innovation among SMEs at Juba city, South Sudan

H_{04} Planning Flexibility has had insignificant influence on management innovation among SMEs at Juba city, South Sudan

1:6 Justification for Study Research.

Research established the impact of corporate strategies on management innovation among SMEs at the republic of South Sudan. However it is critical owing an increasing competition among the SMEs operating in that region which calls for management innovation to keep up with the pace and remain competitive. The results study research shall therefore become vital to management of SMEs which can establish the strongest corporate practice to enhance innovation.

The findings can also guide adoption of policies in the enterprise ministry which can seek to improve innovations among the SMEs. The ministry can come up with policies which can spur innovations among SMEs in Juba having understood the right corporate strategies to support it. Academicians and scholars can make proper use of research study results because they seek for further building on the literature which already existed touching on innovations among SMEs. Through a critique of the gaps in this study, more in-depth analysis can be conducted to build more on the concept.

1:7 Study Research Scope

Conceptual research study scope is to determine how corporate strategy effect on management innovation among SMEs at the republic of South Sudan. Specifically, research focused on effect of resource allocation, portfolio management, strategic tradeoffs and planning flexibility on management innovation among SMEs in Juba city, South Sudan. The contextual focus was Juba city in South Sudan. The targeted SMEs were 12,654 according to the report by the City Council records. A sample of 96 was determined using Yamane formula. The study targeted the SME owners purposively since they are aware of the management innovation efforts by their businesses.

1:8. Research Study Limitation

Research encountered some of the challenges of attrition during the process of collecting data stage where some people who were filling in the forms for questionnaires just write what the wish to record without taking their time to read to understand just to save for faster completion. However, researcher makes sure he or she put in many efforts in order to clarify as much as possible where there was a need to clarify. This aimed to enhance reliability of the findings.

The information being sought was also quite sensitive especially since it touched on corporate strategy. Some of the respondents felt that giving out information about their strategies can affect smooth operation as well as their competitive edge against their rivals especially when shared. The researcher however made an assured to them concerning the collected information’s that it was mainly for the purposes of academic usage and it will not share with other parties.

The study also faced a challenge of illiteracy among the respondents since most of the SMEs owners were not literate. This forced the researcher to aide in clarification of the concepts where necessary in order to shade more light on the meaning of the questions so as to enhance high reliability.

1.9 Delimitation of the Study

The study was limited to corporate strategy and management innovation and not any other concept. Specifically, the study was limited to corporate strategy practices regarding allocation of resources, management for portfolio, and tradeoffs strategies as well as planning flexibility. Research study was also a point an a estimated to only the SMEs and not micro enterprises not large corporations. Those targeted were specifically from the Juba City of South Sudan Republic.

1:10 Study Research Importance’s

Provision of Thesis shall be valuable insight to business leaders, managers and staff of the SMEs on the corporate strategy and management of innovation. It shall help in the development of relevant policies and help to identify aspects of corporate strategy that enhance management of innovation. The Thesis provided valuable information on link between corporate strategies with management of innovation among SMEs in general. Other SMEs can use the findings as reference point in their corporate strategy development processes.

1.11 Assumption of the Study

The assumption was that this study would meet its objectives and it’ll be a guiding source of information in regards to how corporate strategy and management of innovation relates or influence each other. The study also assumed that the respondents were honest in their responses to give information which is relevant in achieving the objectives of the study.

1.12 Operational Definition of Terms

Resource Allocation refers to the alignment of resources in achievement of various uses.

Portfolio Management refers to the act of decision making regarding investment from matching investment to objectives, allocating resources towards it and managing the risks involved in the performance.

Strategic Trade-off on the other hand refers to strategically letting go of an opportunity to venture into another which seems more resourceful than the one which is forgone (Albuquerque, Bonine & Garland, 2015).

Planning flexibility refers to as an organization abilities or capacity to alter it's strategies alongside the changing environmental factors such as opportunities and threats. It basically means the ability to deviate from the originally intended plan (Evans, 2001).

Management Innovation is process by which thinking, processes, service/product of an organization is replace (Mckeown, 2008).

CHAPTER TWO/2: LITERATURE REVIEW

2:1 Introductions Part

Part of this section includes literature review for the theme the research study constitutes. The theories and empirical underpinning of relationship between corporate strategy and management innovation is covered in this chapter. The specific areas covered here include allocation of resources, portfolio management, strategic tradeoffs, planning flexibility, and management innovation.

2:2 Review for Theories considered

This research is hinged with the viewed of Rogers Innovation Diffusion theories, Porter's modeled of generic strategies, Schumpeterian theory of innovation and the Resource-Based View theory.

2:2:1. Rogers Innovation Diffusion theory.

Rogers (1995) was proponent of the theory. The theory is used to explain the how adoption of new innovation, idea or technology is made possible in an organization. The theory indicated that up to five factors determine adoption of a new technology and they include its advantage over competitors, whether it's compatible, whether it's complex to use, whether it's possible to experiment the idea and whether its results are observable.

In regard to relative advantage, Rogers (1995) argued that a new idea should really be better than what it's perceived to. To adopt a new technology, a user must first see the need to use it and the advantage it would provide compared to if it was not there a new idea or technology should also be compatible (Greenhalgh, Robert, Macfarlane, Bate & Kyriakidou 2004). This means that it should perfectly fit in the existing systems, values, cultures and structures of the organization Greenhalgh *et al* (2004), furthermore, a new technology or idea should not be complex to implement. It should be easy to use and understand in order to encourage its adoption. Rogers (1995) further revealed that when the potential users of an innovation perceive it as hard to use, not understandable or not simple, the chances of its adoption are low (Greenhalgh *et al*, 2004).

A new idea should also be able to be experimented because there is a need for more time, resources and energy to be used in implementing. There is therefore a need to have a new idea which can be experimented and tried more easily. Another aspect of a new idea is that its results and outcomes should be able to be observed and visible and seen (Lundblad, 2003). The theory is relevant to the study in explaining the critical factors which would determine the adoption of management innovation. Some of the factors explained are its advantage and trialability that can help to explain the role of availability of resources in management innovation.

2.2.2 Porter's Model of Generic Strategies

Porter (1985) proposed the theory. The theory documents the key forces in the environment of operation which determine its competitiveness. These forces are crucial to managers making key strategies in organizations since there is a need to understand them very well before aligning the firm's strategies to meet the market demands. Organizations need to react and align their strategies based on the market forces. A firm needs to conduct an assessment of the forces in the market which determine its competiveness and then develop strategies to counter any changes which these forces bring to their own operation.

Some of the factors put forward are threats of entry, rivalry, substitutes, power of suppliers and buyers. However, these five forces vary from one industry to another thereby implying that different strategies are needed to cope with them as you move from one industry to another. Some of the suggested strategies to cope with this problem have been put as generic strategies ranging from cost, focus and differentiation. A firm therefore needs to be innovative and come up with a strategy that can cut cost and highly differentiate its goods in order to be able to survive the market turbulence.

2.2.3+ Resource-Based Theory

Penrose in (1959) proposed the idea of firm resources as a source of competitive advantage before the idea was built more. The theory argues that availability of resources which cannot be imitated, copied and which are unique are what places a firm in a steering will of achieving competitive advantage. These resources are referred to as resources which are strategic in nature.

Idea behind the theory is of the firm that can be able to gain competitive advantage and perform better with high profits if they have strategic valuable resources. The resources need to be heterogeneous in form and mobile as well as inimitable and unsubstituable to avoid copying by competitors. The theory supports strategic monitoring of resources in key areas so as to be able to achieve the desired results that can improve competitive advantage. The Theory is relevant with giving an explanation for the roles and responsibilities of unique resources for the organization for enabling a firm to achieve competitive advantage. The theory posits that firms can \achieve competitive edge over rival firms through possession of unique resources such as innovation.

2:2:4 Schumpeterian innovation theory

I was brought about through Schumpeter (1934) to chart the position of innovation from the entrepreneurial point of view. Schumpeter came with an idea of creative destruction and said that creation of wealth happens in the course of interruption for the market into existed because of the new service and good introduced that come up as a result of the resources moving away from firms in existed to new ones consequently permitting new firms growth. Consequently, Schumpeter referred to Innovations as unique tool of entrepreneurs, and entrepreneurs exploit change as a chance for a diverse business or a dissimilar service.

According to Schumpeter's (1942), he mentioned the roles of entrepreneur's as primarily agent implementing creative destructions and underscore that entrepreneur's are required find out resolutely for the Innovation sources, the dynamics as well as a signs showed opportunity for victorious innovation, and as their requirement in understanding as well as applying the philosophies of innovation successfully.

The completion of an organizational innovation for a new technique of the organization which the best practices for the firm, workplace organization or outer dealings. Innovation are grouped base on amount of originality. Innovation is known not to be a channel of introducing a radically new products and procedures. In monetary services, particularly in insurance industry, innovations are more often incremental in their nature. In this regard, hinging on the extent of radicalism, innovations can be divided into incremental, evolutionary and transformational.

Vaguely, Schumpeterian's line of thought was passed forward by succeeding scholars and researchers. However entrepreneur at all the look for a change, reacting to the change, and exploiting the change as an opportunity, and appealing by this line of action in determined innovation. Aghion and Festré (2017), expressed procedure of destruction which is created as started by the entrepreneur, made innovations a significant achievement factors inside entrepreneurial course. Furthermore, linking entrepreneurship and innovativeness is sustained by the outcomes of which established the fact that innovation is part of the important motives in beginning a business. The theory is pertinent for linking innovativeness and creativity to performance of businesses. The theory argued that innovativeness is a unique apparatus for entrepreneurs, the channel in which entrepreneurs use as an advantage for a dissimilar business or a diverse service.

2.3 Theoretical Framework

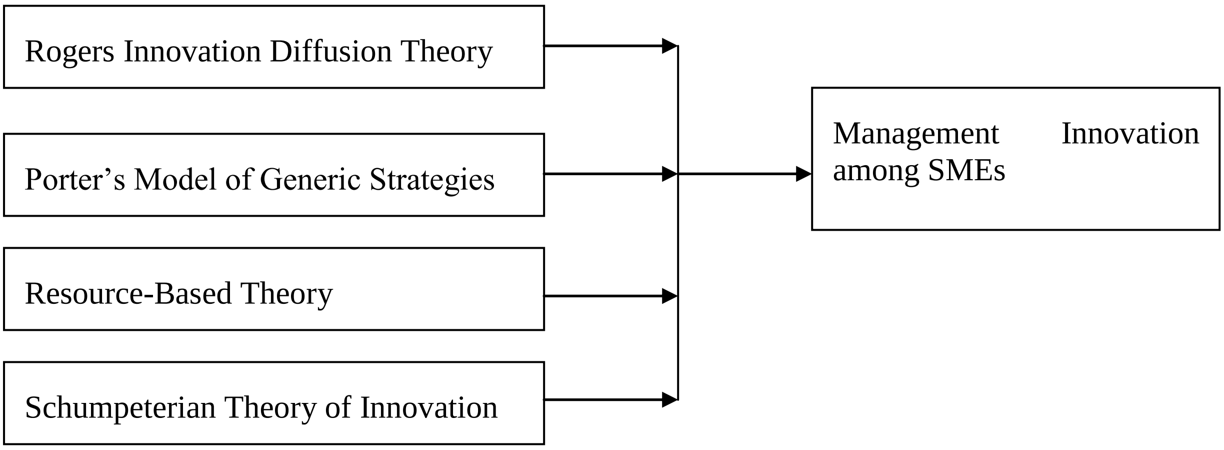

Figure 2.1 Theoretical Framework

2.4 Relationship between corporate strategies and management of innovation

2.4.1 The concept of corporate strategies

Some of the strategies for corporate are as follow; developmental market strategies, expansion strategies, concentration strategies, developmental products strategies, integration strategy, liquidation strategies, divestiture, strategy for stability, innovation strategy, and retrenchment strategy whichever is overarching. The major role of the strategies is to direct the firm business towards the attainment of its long-term objectives.

The corporate level strategies are concerned with firm long-term objectives on how the firm competes in a selected market and maximize resource productivity Pearce and Robinson (2011), the strategies are develop and execute at highest firm level and aims at providing grand strategies that influence firm performance (Cernas, 2011).

The corporate strategies include; developmental market strategies, expansion strategies, concentration strategies, developmental products strategies, integration strategy, liquidation strategies, divestiture, strategy for stability, innovation strategy, and retrenchment strategy whichever is overarching. The major role of the strategies is to direct the firm business towards the attainment of its long-term objectives.

Aosa (1992) observed the task which is majors of corporate executives is to ensure the organizations exist. Hence, different forms the top practitioners as well as strategic management scholars had a replacement for corporate strategy essential. They include, Mintzberg (2003), Ansoff and McDonnell (1990), Johnson and Scholes (2005) among others. Accordingly, the section focused on this important concept of strategy as a backbone for understanding the corporate strategy development process. Scholars and Authors have different definition of strategy. Different form of reference defined suggest authors to give a selected attention to strategy aspects, for the understanding of this theory, it is of importance for the Aosa (1992) concept, however according to Ansoff and McDonnell (1990), strategy aligns an organization with its external environment. Strategy seeks to bridge the gap between current positions of the organization to its future intended direction, using a set of decisions making rules to guide such behavior. A strategy can be viewed as a multidimensional concept that embraces all the critical activities of the firm providing it with a sense of unity, direction and purpose, as well as facilitating the necessary changes induced by its environment.

Chandler (1962) defined strategy as the determination of the basic long-term goals and objectives of an organization, and adoption of courses of action and the allocation of resources necessary for carrying out these goals. Chandler considered strategy as a means of establishing the purpose of an organization by specifying its long-term goals and objectives, action plans and resource allocation patterns to achieve the set goals and objectives.

Strategy enables organizations to focus their resources and efforts Pearce and Robinson (2007). The development of corporate strategy helps corporate-level managers in identifying the critical tasks that need to be performed and hence help in defining an organizational thrust. Strategy also helps an organization to outperform and outwit the competition successfully. Porter (1980) underscores the role of strategy in securing competitive advantage over rivals. Pearce and Robinson (2007) points out that strategy helps in providing long-term direction for an organization. This provides a perspective for the various diverse activities overtime, which enables organizations perform current activities at the same time viewing them in terms of their long term implications for the probable success of the organization. Similarly strategy helps firms to cope with change Pearce and Robinson (2007), due to the turbulent changes in the organizational operating environment, companies need strategy to mitigate to these changes at all time.

Thus the task of crafting a diversified company’s overall or corporate strategy falls squarely in the lap of top-level executives. It involves four facets. Picking new industries/businesses to enter and deciding on the means of entry ; Initiating actions to boost the combined performance of the businesses the firm has entered ; Pursuing opportunities to leverage cross business value chain relationships and strategic fits into competitive advantage and establishing investment priorities and steering corporate resources into the most attractive business units

Porter (1980) identified three premises of corporate strategy namely; competition at business level, diversification adds costs and constraints to business units, and finally shareholders can readily diversify themselves. Diversified companies do not compete; only their business units do. It is therefore imperative that corporate strategy focuses on maturing the success of each business unit. Successful corporate strategy must grow out of and reinforce competitive strategy.

Diversification inevitably adds costs and constraints to business units. Costs like corporate overhead allocated to a business unit are as important or subtle as the hidden costs and constraints. Business units have to explain decisions to corporate executives, spent time complying with planning and other corporate policies. All these costs can be reduced but not entirely eliminated.

2.4.2 Resource Allocation

In economics, resource allocation is the assignment of available resources to various uses. In the context of an entire economy, resources can be allocated by various means, such as markets or central planning. In project management, resource allocation or resource management is the scheduling of activities and the resources required by those activities while taking into consideration both the resource availability and the project time

Heimonen (2012) conducted a study to find out the factors that affect innovation in growing SMEs in Europe. A theoretical model was developed and tested on longitudinal sample data representing 348 continuously growing SMEs located in two diverse regions in Finland. The firms in the sample represented various industries. Logistic regression analysis was used to analyse the data. The study established that the results obtained seem to be consistent with the expected preconception that growing innovative firms may be subject to greater financial pressures than those that aren't. It was also established that public research and development (R&D) funding seems to increase the likelihood of innovation among the SMEs.

Hardie and Newell (2011) conducted a study to establish the factors influencing technical innovation in construction SMEs taking an Australian perspective. Through a survey of Australian firms, it was established that supportive clients and resource availability are critical in performance based building standards for innovative practice in construction. Significant differences were observed between small and medium sized companies and between product and process innovators who had access to resources.

Gikungu (2016) conducted a study to determine the determinants of innovation among small and medium-sized enterprises in Nyeri Town, Kenya. The target population was five hundred and twenty one (521) SMEs in Nyeri town. The study using regression analysis indicated that resource availability was statistically significant in influencing innovation among SMEs.

Mutiso, Ngugi and Senaji (2016) conducted a study to determine the role of resource allocation on promotion of Entrepreneurship in the small and medium manufacturing enterprises in Kenya. Descriptive research and correlational designs were used for the study. Correlation analysis, scatter plot and multiple linear regression analysis were used to establish the relationship between the independent and dependent variable. The results of the linear regression analysis returned a scatter plot showing a positive linear relationship between the independent and dependent variables meaning that resource allocation contributed to entrepreneurship positively and significantly.

2.4.3 Portfolio Management

Portfolio management is the art and science of making decisions about investment mix and policy, matching investments to objectives, asset allocation for individuals and institutions, and balancing risk against performance. Portfolio management is all about determining strengths, weaknesses, opportunities and threats in the choice of debt versus equity, domestic versus international, growth versus safety, and many other trades-offs encountered in the attempt to maximize return at a given appetite for risk.

Fatimah, Putra and Hasibuan (2016) conducted a study to establish the e-business adoption and application portfolio management in remanufacturing small and medium enterprises. The study presented a state-of-the-art analysis of e-business for remanufacturing industries including accounts on the hurdles that contribute to the lack of adoption. A number of factors were identified as potential hurdles to adoption including, knowledge and competencies in e-business, portfolio management and financial support.

Among the Finnish firms, Greis (2013) conducted a study focusing on the supplier portfolio management of the MNCs and its implications to the Finnish SMEs in the machinery industry. The study was conducted as a qualitative research in the context of machinery industry in Finland. The data was collected through interviews. The results of the study indicate that MNCs' supplier portfolio management is not only a result of strategic planning, but a combination of three factors: Historical reasons, Strategic decisions and convenience reasons. Based on strategic decisions, firms have adopted innovation to manage costs.

2.4.4 Strategic Tradeoffs

In economics a trade-off is expressed in terms of the opportunity cost of a particular choice, which is the loss of the most preferred alternative given up. A tradeoff, then, involves a sacrifice that must be made to obtain a certain product, service or experience, rather than others that could be made or obtained using the same required resources (Albuquerque *et al.*, 2015).

A trade-off in economics is often illustrated graphically by a Pareto frontier (named after the economist Vilfredo Pareto), which shows the greatest (or least) amount of one thing that can be attained for each of various given amounts of the other. As an example, in production theory the trade-off between output of one good and output of another is illustrated graphically by the production possibilities frontier. The Pareto frontier is also used in multi-objective optimization. In finance, the capital asset pricing model includes an efficient frontier that shows the highest level of expected return that any portfolio could have given any particular level of risk, as measured by the variance of portfolio return (Albuquerque *et al*., 2015).

Ng'ang'a (2016) conducted a study to establish the competitive strategies adopted by Small and Medium Enterprises in the real estate sector Nairobi Metropolitan Area, Kenya. The study objective was to critically examine SME's competitive strategies in the real estate sector in the Nairobi Metropolitan Area. A descriptive research design was adopted with cross sectional survey. Descriptive study enabled the researcher to collect information from a cross-section of the study population and the results from the survey method extrapolated to the entire population. The study targeted a population for 74 SMEs in the real estate sector in Nairobi Metropolitan Area. Questionnaires were used to collect mainly quantitative and qualitative data. The study established the factors that challenge operations at the organization were; competition due to entry of other firms, consumer disposable incomes, technological changes, legal and regulatory changes. The study established that strategies adopted by Small and Medium Enterprise in the real estate sector to gain competitive advantage were the adoption of new technology, strategic alliance, innovation strategies, diversification and strategic human resource management.

Löfsten (2014) conducted a study to establish the relationship between product innovation processes and the trade-off between product innovation performance and business performance. The study focused on 99 medium-sized technology firms in Sweden. It was established that product innovation performance (patent) is affected by seven variables of the 14 variables that represent product innovation processes. Product innovation performance is not affected by firm size, firm age, branch and product life cycles and, in the regression model, all three innovation performance variables (patents, copyrights and licenses) have a positive effect on the firm's sales, but there were no connections to the firm's profitability.

Kumar, Boesso, Favotto and Menini (2012) focused on Strategic orientation, innovation patterns and performances of SMEs and large companies. The study adopted Miles and Snow's strategic typology to select 592 new products to determine their companies' strategic orientations. Data was collected over a two year period by 62 companies in the Italian yogurt industry. The results showed that, while large firms operate with a “prospector” orientation, SMEs have a “defender” or “reactor” orientation. Only a small number of SMEs can innovate successfully, and an ex post facto investigation reveals that these firms follow an “open innovation model”.

2.4.5 Planning Flexibility

Chakravarthy (2007) conceptualized that strategic flexibility suggests the ability to take some action in response to external environmental changes and thus can be viewed as a strategic capability. Flexible planning systems allow firms to adjust their strategic plans quickly to pursue opportunities and keep up with environmental change. Kukalis (2009) theorized that firms in highly complex environments need flexible planning systems because of the frequency of change in their business environments. Newman (2003) observed that ‘the establishment of advanced plans tends to make administration inflexible; the more detailed and widespread the plans, the greater the inflexibility.

Rhyne (2005) observed that ‘one of the hallmarks of good strategies is the willingness of the drafters to encompass the likelihood of change and consequent uncertainties.’ Similarly, Koontz (2008) wrote, ‘effective planning requires that the need for flexibility be a major consideration in the selection of plans. Johnson and Scholes (2003) made important distinction between proactive flexibility and reactive flexibility. Flexibility in the strategic planning process or like others called it “planning flexibility” has been considered as a primary component of strategic flexibility as well as a valuable strategic tool for companies faced in complex and uncertain markets (Barringer & Bluedorn 2009). What innovative behavior does imply is that the pace of this process must be accelerated and made more flexible because the essence of innovation is capitalizing on environmental change.

Martínez, Vela, Pérez, and Abella (2014) conducted a study linking Innovation, Organizational Flexibility, and Performance. The results revealed that matching internal and external flexibilities contributes to the development of capabilities to adopt new strategic options. Such interactions have a significant impact in terms of hospital performance. A cluster of dynamic hospitals, which is characterized by high levels of both internal and external flexibilities, (instead of that have high levels of both internal and external flexibilities) was found to have the double level of performance compared with other clusters.

Xiu, Liang, Chen, and Xu (2017) focused their study on strategic flexibility, innovation and firm performance. Data were gathered from a sample of 113 firms in China. Conditional procedural analysis was conducted to test the model. The study found strong evidence in support of the mediation relationship in which organizations with a strong focus on strategic flexibility are more likely to adopt Innovative Practices. Furthermore, the authors found that the extent to which firms have adopted innovative practices has a strong effect on employee productivity.

Todorut (2008) conducted a study on the flexibility of organization and the flexibility of product–premises of organizational success. The study established that flexibility represents the ability of a manufacture system to adapt to some diversified tasks of production, thus to assure an economic efficiency – the rapport time/cost should be optimum, with insignificant structure changes within a long period of time. It was established that the more flexible the organization becomes, the better it responds to the change. Firms, which are flexible, facilitate creativity, innovations and speed, all these being included into the organizational and coordination processes. In quick change conditions, flexibility is a competitive advantage. An organization should face both threats and inherent opportunities in an uncertain future and in an instable circumstance.

2.5 Management Innovation

Business is about identifying the sustainability of the revenue streams, the long-term competitiveness of the company's products and understanding where every penny goes and making sure that it is adding value, despite innovation absorbing real and substantial costs, and the clarity of organizational objectives in terms of innovation has led to an increased emphasis on the evaluation of return on investment. Corporate leaders should put up a wall between the innovation and the existing hierarchy, different aspects of intensity can help businesses to evaluate their operations to enhance their innovation culture, including ideation, focus, commitment and persistence. Strategic management intensity in innovation is a multifaceted concept.

The approaches of organizations to strategic management intensity in innovation includes linked characteristics like holistic awareness, concentration, and intuition, experience and re-experience patience, insight, contradiction and integration. It is argues that strategic management intensity increases with the rising complexity of business processes. Moreover, Andreeva and Kianto (2011) confirm the influence of strategic management intensity on the organizational innovation performance.

Innovation in its modern meaning is a new idea, creative thoughts, new imaginations in form of device, innovation is often also viewed as the application of better solutions that meet new requirements, unarticulated needs, or existing market needs Maranville (1992) Such innovation takes place through the provision of more-effective products, processes, services, technologies, or business models that are made available to markets, governments and society. An innovation is something original and more effective and, as a consequence, new, that "breaks into" the market or society. Innovation is related to, but not the same as, invention, as innovation is more apt to involve the practical implementation of an invention (i.e. new/improved ability) to make a meaningful impact in the market or society, and not all innovations require an invention. Innovation often manifests itself via the engineering process, when the problem being solved is of a technical or scientific nature. The opposite of innovation is exnovation.

While a novel device is often described as an innovation, in economics, management science, and other fields of practice and analysis, innovation is generally considered to be the result of a process that brings together various novel ideas in such a way that they affect society. In industrial economics, innovations are created and found empirically from services to meet growing consumer demand.

Innovation also has an older historical meaning which is quite different. From the 1400s through the 1600s, prior to early American settlement, the concept of "innovation" was pejorative. It was an early modern synonym for rebellion, revolt and heresy.

According to Bigliardi (2013) innovation refers to the transmission of new knowledge in enhancing the existing processes, products or services. It is the end result of a new idea, creativity or experimental process.

Bigliardi, (2013) interrogated how innovation can be used a means to attainment of competitive advantage in European firms. The study was a survey of the firms with structural modeling being adopted as a means of analysis. It was established that the increase in the innovation level increased financial performance and its competitiveness. The study however presents a contextual knowledge gap. Europe is a developed economy compared to Sudan which is a developing economy hence the findings of this study present a contextual knowledge gap. The market situations as well as political and economic conditions for growth of businesses and access to resources is different from that of Sudan. Therefore, the findings of the study cannot be generalized to Sudan. There was therefore a need to conduct this study in order to fill the knowledge gap and compare the findings of this study conducted in Sudan to that of the study conducted in Europe.

2.5.1 Product Innovation

The development of new products, changes in design of established products, or use of new materials or components in the manufacture of established products. Numerous examples of product innovation include introducing new products, enhanced quality and improving its overall performance. Product innovation, alongside organizational innovation and process innovation are three different classifications of innovation which aim to develop a company's production methods. (Hoang, 2010)

Thus product innovation can be divided into two categories of innovation: radical innovation which aims at developing a new product, and incremental innovation which aims at improving existing products (Wong, 2014)

New product development is the initial step before the product life cycle can be examined, and plays a vital role in the manufacturing process. To prevent loss of profits or liquidation for businesses in the long term, new products have to be created to replace the old products Drucker, (2014), suggests in his book 'Innovation and Entrepreneurship' that both product innovation and entrepreneurship are interconnected and must be used together in unison for a business to be successful, and this relates to the process of new product development. Drucker (2012) whereas; existing product development is a process of innovation where products/services are redesigned, refurbished, improved, and manufactured which can be at a lower cost. This will provide benefits to both the company and the consumer in different ways; for example, increased revenue (benefits the company) cheaper costs (benefits the company and consumer) or even benefits the environment by implementation of 'green' production methods.

Product innovation as the prologue of a new product; one in which the customers are not yet well-known with. It is a new worth of a good. Product innovation also to the highest degree influences enterprises nowadays. Product innovation is the foreword of new functions, improved performance or the adding together of innovative attributes into the accessible goods (Baker, Grinstein & Harmancioglu 2016). Small and medium enterprises come across unchangeable complicatedness on or after important clients to reduce prices and concur to lessen margins on sales. Small and medium enterprises are thereby looking for profits growth from new goods and services.

Baker *et al* (2016) consequently recommended that companies must present consumers new goods and services to consent to for a more well-organized and valuable employ of goods that they presently sell. Though merely a minute proportion of small and medium enterprises employ in innovative behavior, those that do so emerge to have an advanced yield for their endeavor particularly in number of innovative patents that are issued.

Recommendations were made that small and medium enterprise should trail product innovation strategies in up-and-coming markets. Lee, Hallak and Sardeshmukh (2016) argued that small and medium enterprises over and over again carry out new product development course less absolutely or methodologically compared to the bigger companies. It was confirmed that corporations must be able to become accustomed to and progress if they wish to continue to exist. This is because competitors will come to the market and initiate new goods that will transform the foundation of competition. The ability to transform and acclimatize consequently is exceedingly major to the continued existence of any enterprises.

Basically, each product in the market today has been enhanced. These semi-new goods can act as replacements to accessible goods in a company's product line. It was however made available and improves performance or a greater professed worth over the old goods. The new product design plays a fundamental responsibility in defining the physical form of the product to assure customers' needs. The design constituent entails manufacturing design such as mechanical, electrical, software and industrial design such as aesthetics, ergo metrics and user interfaces.

Innovation development forms its starting point on conducting customer surveys and trying to identify particular customer needs for products which are largely imaginary. The idea behind product development involves the thought of slowly developing fresh products when the firm's conventional market is about to become flooded. Such products should in an ideal world be developed based on customers' needs and take the structure of a process of interaction between the marketing department, with its acquaintance of the market and with the thoughts it gathers from the customers and then formulates a broad plan of a new product. The importance of a new product as a motivation to an organization's growth. Schumpeter argued that the competition posed by new goods was far more essential than unimportant changes in the fee of existing goods.

2.5.2 Organizational Innovation

Organizational innovation means the implementation of a new organizational method in undertaking's business practices, workplace organization or external relations. Changes in business practices, workplace organization or external relations that are based on organizational methods already in use in the undertaking, changes in management strategy, mergers and acquisitions, ceasing to use a process, simple capital replacement or extension, changes resulting purely from changes in factor prices, customization, regular seasonal and other cyclical changes, trading of new or significantly improved products are not considered innovations.

Organizational innovation is the competitive advantage that can be obtained from the qualified human resources which enable the organizations to compete and perform on the basis of quality and innovation. The organizational innovation is believed to be the capability of generating value, products, services, it is the beneficial and original procedures for achieving a change and development in the organization's outcomes and it is represented by the capability to create methods and techniques and ideas for work that help in improving work field's circumstances, employees' motivation, increasing employees' capabilities and talents to achieve the best productivity goals and performance.

Organizational innovation is the introduction of new practices of doing business, workplace organizing methods, decision making system and new ways of managing external relations; it involves the implementation of new ways of organizing business practices, external relations and work place. Organizational innovation is new ways of organizing routine activities. Through organizational innovation, firms change the method of organizing that has not been implemented before. Organizational innovation can increase the performance of the organization by decreasing the transaction cost and administrative cost. Firms bring organizational innovation to bring efficiency in the business. The new organizational method must be at least new to the organization and new method can be developed by the firm itself or with the help of third party (Akinwale, Adepoju, & Olomu, 2012).

Organizations bring changes in their organizational setup. They change the ways of organizing things to compete with their competitors and satisfy the customers.

According to Trott (2008), the organizational innovations are strongly linked with all administrative efforts to renew organizational routines, procedures, mechanisms, systems, etc. and in order to renew teamwork, sharing of information, coordination, collaboration, learning and innovation. The organizational innovation is considered a source of sustainable competitive advantage. Foster (2016), additionally; organizational innovations are strongly associated with all administrative efforts to renew organizational routines, procedures, mechanisms, systems, etc. and in order to promote teamwork, sharing of information, coordination, collaboration, learning and innovation.

Organizational innovativeness involves the firms' capacity to engage in new enterprise that is, introduction of new processes, products or ideas. This capacity to innovate is among the most important factors which influences the business performance and as such, innovativeness is amongst the unique culture which embeds in the tangible and intangible resources leading a firm towards successful business performance. Organizational innovation also influences the performance of the firm's quality of work, information exchange, capacity of learning and the use of new knowledge and technologies. It involves the implementation of new methods of organization of the routines and the procedures of execution of the works (Dubé, 2012).

2.5.3 Process Innovation

Process innovation means the implementation of a new or significantly improved production or delivery method (including significant changes in techniques, equipment and/or software). Minor changes or improvements, an increase in production or service capabilities through the addition of manufacturing or logistical systems which are very similar to those already in use, ceasing to use a process, simple capital replacement or extension, changes resulting purely from changes in factor prices, customization, regular seasonal and other cyclical changes, trading of new or significantly improved products are not considered innovations." (Nurulhasanah *et al.*, 2015)

According to Schumpeter (1934) technological innovation refer to a new means of combining factors of production resulting from a change in inputs to produce outputs. Schumpeter argued that technological innovation is quite important to an understanding of economic performance of a nation or a firm. Nurulhasanah *et al* (2015) state that technological innovation refers to the process by which firms master and implements the design and production of products/services that are new to the business irrespective of whether the products/services are new to their competitors or their customers or the world.

Akinwale *et al* (2017) identified five steps leading to technological innovations which are research on pure sciences, invention, innovation, finance, and acceptance (or diffusion). Such a standardized theory perceived innovation as a process of technological changes. They further ascertain that technological innovation is a unified process which entails activities of technology, organizations, business and finance. It means that the entrepreneurs seize the market prospects for commercial benefits as the goal to create a stronger performance, more efficient and lower cost of production and operation system. From this process, new products and production method are introduced, new markets are exploited, new raw materials or semi-finished products are obtained and new business organizations are formed.

Bala-Subrahmanya (2012) examines the dynamic mechanism of technological innovation activities. The work argued that the main driving force of technological innovation of enterprises consists of six important factors. These factors include the benefit drive, the market or social demand pull, the driving force of enterprise employees, the corporate image and the driving force of technological development, market competition and the driving force of government. The first four are the internal forces which make enterprises accumulate technological capability, carry on technological innovation, and rest are external which force enterprises to produce innovation behavior.

Based on the relevance of technological innovation, Akinwale *et al.*, (2017) noted that technological innovation capability should be defined to be under the condition of certain scale, technology and economy. It is pertinent that entrepreneurs should make good use of available resources for technological innovation. Considering the economic nature of a developing country, technological innovation is referred to the process by which firms master and implements the design and production of goods and services that are new to them irrespective of whether they are new to their competitors, their customers or the world. Technological innovation involves a sequence of activities such as application of new technology and methods; adopting new techniques in production and new management tactic or strategy; improving quality of production; developing new production; providing new service; exploring new market and realizing market value. It can be deduced that technological innovation of enterprises is the innovation in Research & Development, production, sale and management.

Also, according to Feifei and Li (2007), technological innovation encompasses a series of activities such as conceptualizing new ideas, designing products, prototyping, producing in volume, marketing, and commercializing among others. It is a process of knowledge creation, conversion, and application. The essence of technological innovation is the emergence of new techniques in production and its commercial application. It is only through continuous product innovation that SMEs can increase their competitive advantages and cope with market opposition. Dobbs and Hamilton (2007) also affirmed that the promotion of sustainable development of SME through technological innovation can be revealed through the application of information technology as a driving mechanism to stimulate industrialization. The use of automated means in all types of industries will transform technology level of traditional industries so as to enhance and lay a solid foundation for industrial competitiveness as well as restructuring the old industrial enterprises thereby improving organizational structure of SME, boost the vitality of traditional enterprises and promote enterprise collaboration. More so, through technological innovation and transformation, SMEs are opportune to transform and improve the techniques of their performance (Feifei & Li, 2007).

Technology is important to support and promote SMEs development as it is responsive to local economies and results in distinctive products and services. Initiatives to support indigenous technology should therefore aim to link SMEs with technology specialists in order to generate an enabling environment that develops technology capacity. This is likely to result in a great performance of SMEs as it provides differentiated products, services and technical services in accordance with the resources available and the market needs in the context of these SMEs. The relationship between technological innovation and profitability helps to ascertain actions and policies to improve the competitive position of firms (Kongmanila & Takahashi, 2009).

2.6 Conceptual Framework

To guide the Thesis, the interrelationship between variables discussed in the literature review was presented in the conceptual framework model shown in Fig. 2.1. A conceptual framework was a research tool intended to assist a researcher to develop awareness and understanding of the situation under scrutiny and to communicate this. The independent variables of this Thesis were allocation of resources, portfolio management, strategic tradeoffs and planning flexibility while the dependent variable of the study was firm innovativeness

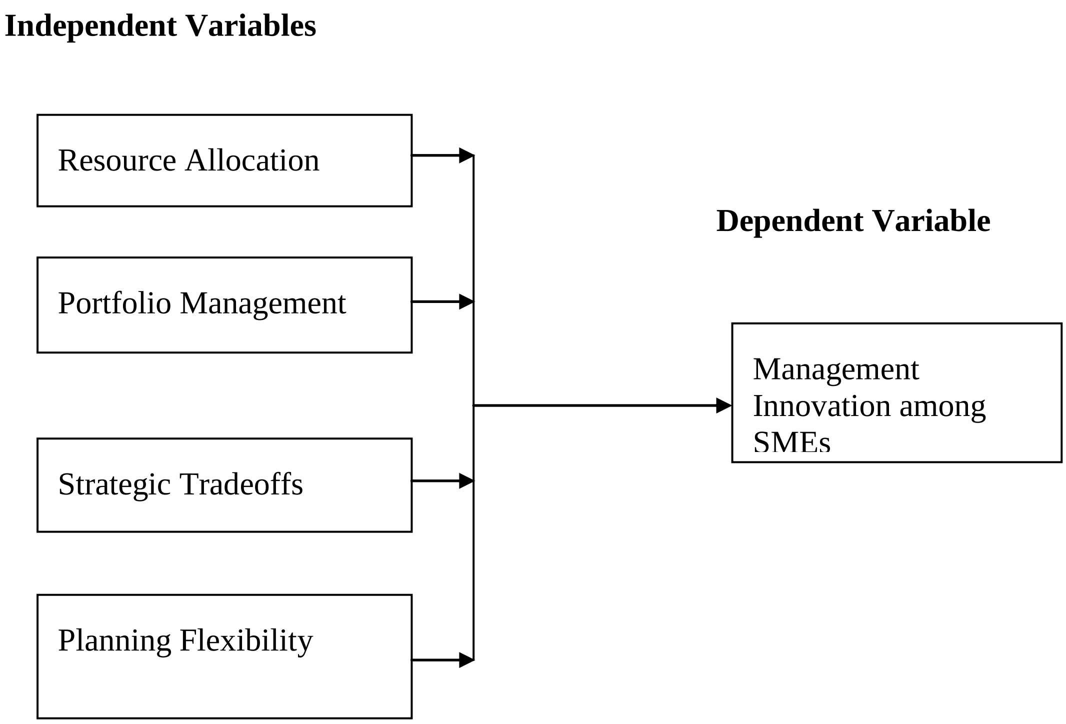

Figure 2.2: Conceptual Framework

The conceptual framework presented in Figure 2.2 indicates the relationship between the independent variables that is corporate strategy (resource allocation, portfolio management, strategic tradeoffs and planning flexibility) and the dependent variable which is management innovation among SMEs. The figure indicates a perceived linear relationship between the variables. From theory, Resource Based theory, corporate strategy, resource allocation, portfolio management, strategic tradeoffs and planning flexibility is expected to improve adoption of innovation among the SMEs as indicated in the conceptual framework.

2.7 Operational Framework

The operational framework in this section presents in a figurative form how the variables are related to each other. The section presents how the variables have been measured through the indicators of each of the study variables.

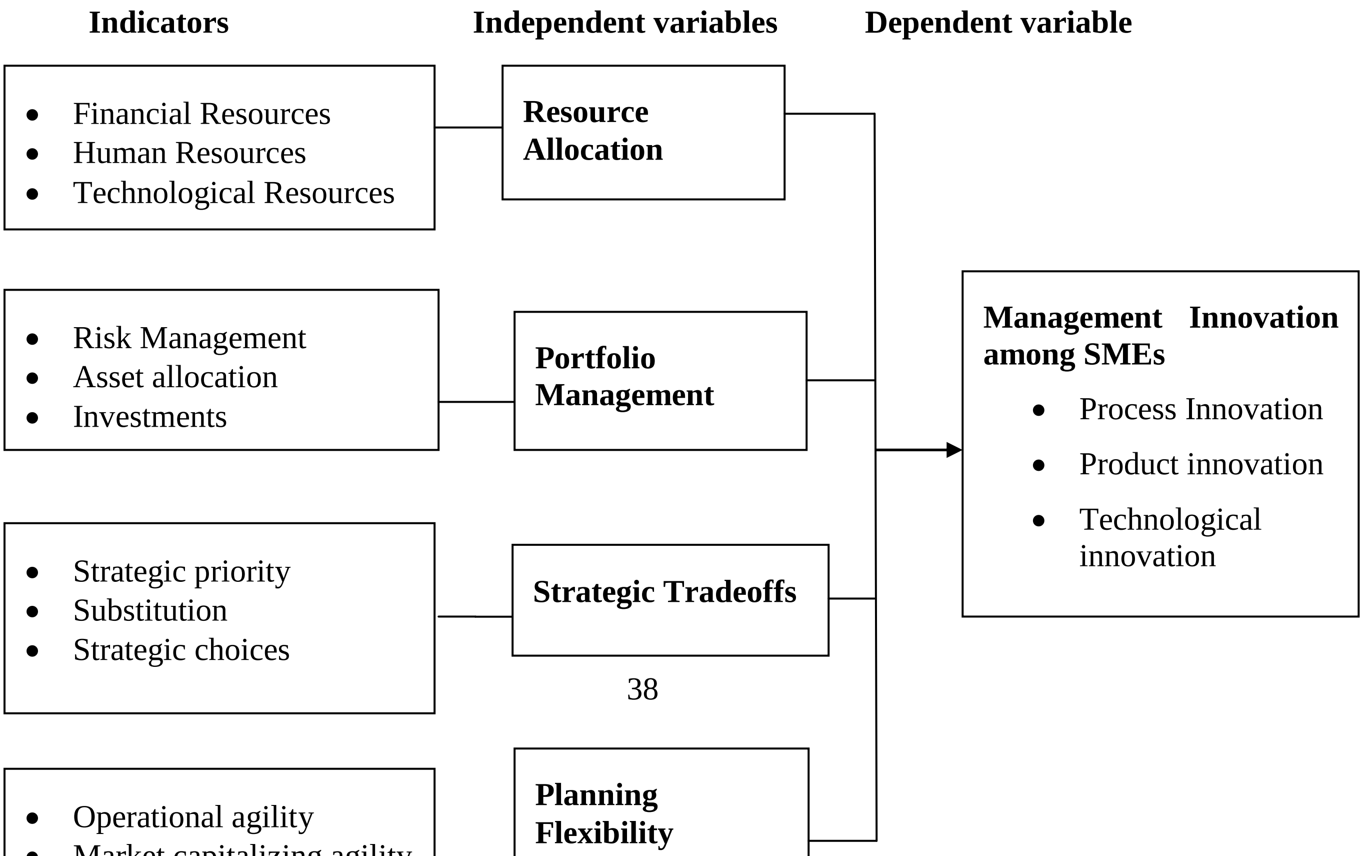

Figure 2.3: Operational Framework

The operational framework indicates how the study variables are measured and related. In this study, resource allocation was measured as financial, human or technological resources; portfolio management was measured as the risk management practices, asset allocation practices and investments decisions; strategic tradeoffs were measured as the strategic priority, substitution and strategic choices; planning flexibility was measured as operational agility, market capitalizing agility and flexible operations while the dependent variable, that is management innovation, was measured as product innovations, technological innovations and process innovations.

CHAPTER THREE/3: RESEARCH METHODOLOGY

3:1 Introduction Part

Chapter three described research method which was employed during the processes of this research project of this Thesis. A questionnaire approach used was mainly to explore the link with corporate strategy and management innovation in operation of SMEs for South Sudan as described in Chapter Two. The methodology have ensure that the researcher collect data which is relevant for analysis and came up with solutions on how entrepreneurs should make best corporate strategies. The chapter presented selected approaches that were utilized in collecting primary data to arrive at authentic results. This descriptive case study approach enabled the researcher to understand the varied relationships between corporate strategy and management innovation. A simple questionnaire approach captured the complexity of this process. The case study approach involved, a careful research design, sampling principles and data gathering techniques as described herein.

3:2 Research study Design

This act as map framework which guides the whole process of research project such that the main objectives of the research project are achieved. This study used descriptive research design. This research design is suitable in describing a current problem and situation and this study adopted it to describe the problem regarding adoption of management innovation among the SMEs in Juba City, South Sudan. A descriptive research design also supports the use of questionnaires which this study adopted.

3:3 Target which was targeted

A population implies the total units to be considered in an interrogation (Mugenda, 2003). The study focused on all the licensed SMEs in Juba city of South Sudan which totals to 12,654 according to the report by the City Council records. The target respondents were the SMEs owners of the SMEs. Table 3.1indicates the distribution of the SMEs per sector.

Table 3.1 Target Population

Sector / Categories	**Population**	**100%**
Manufacturing and Mining Activities	1,645	13
Wholesaling and Retailing Activities	5,188	41
Hospitality Activities	1,772	14
Financial and Insurance related Activities	759	6
Administrative and support service activities	1,139	9
Other service activities (e,g Tourism, construction, transport, IT, Arts & Entertainment and agribusiness)	2,151	17
Total	**12,654**	**100**

Source: Juba City Enterprise Records, 2019

3.4 Sampling Design

3.4.1 Sampling Frame

It refers to a list from which the sample size is selected. In this study, it was the list of all the SMEs in Juba City as obtained from Juba City Enterprise Records, 2019 indicating the licensed SMEs per sector. This list guided the sampling procedure.

3:4:2 Technique for Sampling

Stratified random sampling used was adopted by the research study to determine the SMEs to participate in the study. When the target population is heterogeneous, stratification is necessary. In this case, the SMEs were heterogeneous hence they were stratified according to the sector. After stratification, random sampling was used to determine the respondents which eliminate bias according.

3:4:3 Size for Sample

In order to evaluate size of the samples, the study adopted a formula which has been seconded. This study therefore adopted Cochran's formulas to determine the size of the sample. The formula is as below:

$$n = \frac{Z^2pq}{e^2}$$

Whereby; n is the size of the sample for which the target population is more than 10000 p = it is the proportion of desired characteristics set at 50% in this study, q is the missing characteristics, Z is the normal distribution score based on the SL and e is the error term set at 10% in this study.

Substituting the values gives the values below:

$$n = \frac{1.96^2(0.5)\,(0.5)}{0.1^2}$$

$$= 96$$

The study targeted 96 SMEs which were then stratified proportionately according to the sector as shown in Table 3.2 and then randomly selected. Stratified random sampling was adopted as shows in table 3:2.

Table; 3:2 Size of the Sample for Stratification

Sector / Categories	Targeted Population	Size Sample
Manufacturing and Mining Activities	1,645	12
Wholesaling and Retailing Activities	5,188	39
Hospitality Activities	1,772	13
Financial and Insurance related Activities	759	6
Administrative and support service activities	1,139	9
Other service activities (e,g Tourism, construction, transport, IT, Arts & Entertainment and agribusiness)	2,151	16
Total	**12,654**	**96**

3.5 Instrumentation

This Thesis applied questionnaires to gather information relevant in producing the desired result as herein. The type of questionnaire adopted was structured in a five point likert scale. A questionnaire according to Mugenda (2003) is suitable in collection of fresh data for the first time for a shorter period of time the areas can be wider. This was hence good for this study. The use of structured questionnaires was suitable in collection of quantitative data which is suitable in running inferential statistics to achieve the objectives.

3.6 Data Collection Methods

Primary data was collected for the Thesis through a simple questionnaire approach captured the complexity of this process. The data collection method was a drop and pick whereby the questionnaires were dropped and picked later after a period of two weeks. The researcher left his contact for clarification in cases where the respondents were not able to understand some of the questions.

3.6.1 Reliability and Validity

Before using the questionnaire for data collection, reliability and validity were established. Reliability refers to consistency of the responses over repeated trials while validity refers to the meaningfulness of the data collected. To determine reliability, the study adopted internal consistency measure of Cronbach Alpha where a coefficient of 0.7 was adopted as the threshold. This was conducted on 10 questionnaires which were not included in the final survey. A Cronbach Alpha value above 0.7 was considered reliable. Validity was established by revision of the questionnaire by the supervisors. Their comments were incorporated into the questionnaire before using it for the main survey.

3.7 Data Analysis Methods

The type of data collected was quantitative in nature since a structured questionnaire was used as method of data collection. The collected data was hence analyse with the help of SPSS version 24 tool. The type of statistics established were descriptive statistics such as means, standard deviations, and inferential statistics like as correlation and regression. Inferential statistics were suitable in testing the link with corporate strategy, and managements innovation.

Following regression model was adopted:

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon}$$

Whereby:

Y = Management Innovation among SMEs

X_1 = Resource Allocation

X_2= Portfolio Management

X_3 = Strategic Trade-offs

X_4 = Planning Flexibility

$\mathcal{E}$ = error terms,

β_0 = value which constant

β_1; β_2; $\beta_{3;}$ β_4 = Regression co-efficient.

CHAPTER FOUR/4: RESEARCH FINDINGS AND DISCUSSIONS

4:1 Part of Introduction

Analysis for findings as outlined in the research objectives was done in this chapter. The chapter documents both descriptive and inferential findings used to achieve the research objectives. Discussion of findings and comparison with other studies is also conducted under this chapter.

4:2 Response Rate

Total questionnaires of 96 were given out to SMEs randomly selected in Juba City of South Sudan. Table 4.3 gives the responded rates.

Table: 4.3 Responded Rates

	Frequency	**100%**
Responses	50	52%
Non-Responses	46	48%
Total Number	**96**	**100**

Out of the number, a total of 50 SMEs responded to the questionnaire to give responded rates of 52% indicated in the above Table 4.3. This response rate is consistent with Kumar et al (2015) who agreed that a response rate above 50% is suitable for an academic study.

4.3 Reliability Test Results

The study tested for the research instrument which is reliable using internal consistency measures. Cronbach Alpha-coefficient was adopted and the threshold was 0.7. The findings are indicated in Table 4.4.

Table: 4.4 Reliable Test Results

Variable	Cronbach Co-efficient	No of Items	Conclusion
Resource Allocation	0.783	5	Reliable
Portfolio Management	0.794	4	Reliable
Strategic Tradeoffs	0.812	4	Reliable
Planning Flexibility	0.779	5	Reliable
Management Innovation	0.784	4	Reliable

The results in Table 4.4 indicate that resource allocation has a Cronbach-Alpha value of .783, Portfolio Managements has 0.794, Strategic Tradeoffs has Cronbach Alpha value for .812, Planning Flexibility has a value of .779 as well as Management Innovation has a value of .784. All these are above the cutoff value of 0.7 meaning that the data was reliable to be used for analysis.

4.4 Respondent's Background Information

Sub-section presented findings for general characteristics for the respondent with regard to age, gender, work experience as well as educational level. The findings are showed in the table 4:5 below.

Table 4.5 Respondent's Background Information

Demographic Characteristics	Category	Frequency	Percentages
Gender	Male	34	68
	Female	16	32
Age Bracket	Less than 18 Years	3	6
	18 – 30 Yeats	7	14
	31 – 40 Years	23	46
	Over 40 Years	17	34
Highest Education Level	Primary	18	36
	Secondary	17	34
	Tertiary	15	30
Work Experience	Below 5 Year	18	36
	5 – 10 Year	12	24
	10 – 20 Year	13	26
	Over 20 Year	7	14

The findings in table 4:5 showed majority of the SMEs owners at Juba City are Male (68%). However, more than a third is female which indicates that there was representativeness in the gender distribution among SMEs owners in Juba. It was also established that majority of SMEs owners in Juba city in Sudan are age between 31 – 40 year (46%) and those age above 40 year were 34%. This demonstrates that majority of the business owners are aged above 30 years implying that businesses were not preferred by the youth who preferred employment.

It was also established that majority of the respondents has educational primary level (36%), and secondary level of education (34%) as their highest levels. This implies that those highly educated did not prefer to run businesses in Juba City but opted for employment. The attitude of running business was poor among those with very high education qualifications such as tertiary levels.

The results further showed that high number of the respondent, 36% had a work experience below 5 years followed by a period between 5 and 10 years. This implies that most of the businesses had not operated for over 10 years meaning that they were new. This can be attributed to high failure rate which makes most SMEs to fail before hitting 5th anniversary.

4.4 Descriptive Analysis

The study used mean as well as standard deviation descriptive statistics to capture the responses that were framed on an ordinal scale ranging from strongly disagreed to strongly agreed. The section presents the findings per objective of the study.

4:4:1 Resource Allocation

Research study established effect that resource allocation has with management innovation among SMEs in Juba city, South Sudan. The respondents were asked to rate statements on resource allocation, and the finding given in the table 4.6.

Table: 4.6 Descriptive Statistic of Resource Allocation

Statement	1	2	3	4	5
The organization encourages innovative behavior to promote management innovation	8.0%	10.0%	24.0%	2.0%	56.0%
The organization measures performance against subjective strategic criteria such as progress on product innovations	0.0%	0.0%	0.0%	0.0%	100%
The organization constantly come up with new methods of production that are cost effective	10.0%	6.0%	40.0%	28.0%	16.0%
The organization allocates financial resources towards innovative activity like development and research	18.0%	16.0%	24.0%	24.0%	18.0%
The organization has invested in technological resources such as IT infrastructure to enhance innovation	14.0%	6.0%	24.0%	28.0%	28.0%

The results indicated that the respondents agreed that their organization encourages and innovative behavior to promote management innovation (Percentage = 56%), measures performance against subjective strategic criteria such as progress on product innovations (Percentage = 100%) and has invested in technological resources such as information technology infrastructure to enhance innovation (Percentage = 56%).

The findings also indicated that majority of the respondents neither agreed nor disagreed that their organization constantly come up with new methods of production that are cost effective (Percentage = 40%) and allocates financial resources towards innovative activities such as research and development (Percentage = 24%).

The findings imply that the most practiced resource allocation by SMEs in South Sudan is encouraging innovative behavior to promote management innovation, performance measured against strategic criteria subjectively like the progress on product innovations and investing in technological resources such as IT infrastructure to enhance innovation. The findings are consistent with Mutiso *el at* (2016) who argued that organizations allocate resources to improve their management innovation.

4.4.2 Portfolio managements

Research project evaluated how portfolio management influences management innovation among SMEs in Juba city, South Sudan. The respondents were asked to rate statements on portfolio management and Table 4.5 presented the results.

Table: 4.7 Descriptive Statistics with Portfolio Managements

Statements	A	B	C	D	E
Organization engages in risk taking behavior for expansion of business which is highly enhance management innovation	4%	10%	20%	0%	66%
The organization allocates assets to profitable ventures which can enhance management innovation	8%	22%	20%	0%	50%
There is development and introduction of new products to gain competitive advantage	6%	8%	6%	20%	60%
The organization identifies exploits and recognizes opportunity for expansion	8%	10%	10%	12%	60%

The findings shows the majority of the respondents had agree that their organization engages in risk taking behavior for expansion of business which is highly enhance management innovation (Percentage = 66%), allocates assets to profitable ventures which can enhance management innovation (Percentage = 50%), there is development and introduction of new products to gain competitive advantage (Percentage = 60%) and identifies exploits and recognizes opportunity for expansion (Percentage = 72%).

The findings imply that the most practiced portfolio management practices by SMEs in South Sudan are engaging in risk taking behavior for expansion of business which is highly enhance management innovation, allocating assets to profitable ventures which can enhance management innovation, development and introduction of new products to gain competitive advantage and identification of exploits opportunity for expansion. Greis (2013) also supported the adoption of portfolio management among SMEs as a means of freeing more resources for investing in research and development which can promote innovation.

4.4.3 Strategic Tradeoffs

The study examined the effect of strategic tradeoffs on management innovation among SMEs in Juba city, South Sudan. The respondents were asked to rate statements on strategic tradeoffs and Table 4.6 presented the results.

Table 4.8 Descriptive Statistics of Strategic Tradeoffs

Statements	**1**	**2**	**3**	**4**	**5**
The organization always monitors and adjusts to economic trends	12%	4%	28%	14%	42%
The organization gives priority to various productive ventures at the expense of the unproductive ventures	4%	8%	8%	28%	52%
The organization makes strategic choices regarding alignment of plans to counter competitor strategies	12%	16%	8%	54%	10%
There is substitution of ventures with low returns to maximize returns	8%	12%	8%	36%	36%

The findings in the table 4:6 indicates most respondents were in agreement that their organization always monitors and adjusts to economic trends (Percentage = 56%), gives priority to various productive ventures at the expense of the unproductive ventures (Percentage = 80%) and that there is substitution of ventures with low returns to maximize returns (Percentage = 72%). The respondents also agreed that their firms make strategic choices regarding alignment of plans to counter competitor strategies (Percentage = 64%).

The findings imply that the most practiced strategic tradeoff practices by SMEs in South Sudan are monitoring and adjusting to economic trends, giving a priority to various productive ventures at the expense of the unproductive ventures, substituting of ventures with low returns to maximize returns and making strategic choices regarding alignment of plans to counter competitor strategies.

4.4.4 Planning Flexibility

The study also examined the effect of planning flexibility on management innovation among SMEs in Juba city, South Sudan. The respondents were asked to rate statements on strategic tradeoffs and Table 4.7 presented the results.

Table: 4:9 Descriptive Statistics for Planning Flexibility

Statements	**A**	**B**	**C**	**D**	**D**
Emergence for a new technology is adopted	0%	0%	20%	0%	80%
Shifts in economic conditions is adjusted to with speed	0%	0%	0%	22%	78%
The market entry of new competition is countered with speed	0%	0%	0%	46%	54%
Changes in government regulations is prepared for and adjusted to with speed	14%	16%	16%	30%	24%
The organization has operational agility regarding changes in customer preferences and tastes	0%	0%	22%	26%	52%

Based on the findings in the table 4:7, it was established most respondents are in agreement with their organizations, the emergence of a new technology is adopted (Percentage = 80%), shifts in economic conditions is adjusted to with speed (Percentage = 100%), the market entry of new competition is countered with speed (Percentage = 100%) and that their organizations have operational agility regarding changes in customer preferences and tastes (Percentage = 78%). The respondents also agreed that changes in government regulations is prepared for and adjusted to with speed (Percentage = 54%).

The findings imply that the most practiced planning flexibility practices by the SMEs in South Sudan are adoption of latest of the new technology, adjusting to changes for the conditions of the economic status which with the high rates of speed, countering with speed the market entry of new competition, having operational agility regarding changes in customer preferences and tastes as well as preparing for and adjusting to the changes in government regulations with speed. The results are inconsistent with the results by *Xiu et al* (2017), which indicated the adoption of planning flexibility was becoming an increasing activity among SMEs in order to be more innovative.

4.4.5 Management Innovation

The respondents were asked to rate statements on management innovation and Table 4.8 presented the results.

Table: 4.10 Descriptive Statistics of managements innovation

Statements	A	B	C	D	E
Organization had come up with new products to counter market threats	10.00%	10.00%	24.00%	2.00%	54.00%
The organization has come up with new services to counter market threats	8.00%	14.00%	8.00%	12.00%	58.00%
The organization has come up with new organizational systems to counter market threats	14.00%	16.00%	20.00%	26.00%	24.00%
The organization has come up with new methods of production and operations to counter market threats	14.00%	20.00%	20.00%	18.00%	28.00%

The findings indicated respondents are in agreement with their organization has come up with new products to counter market threats (Percentage = 56%), come up with new services to counter market threats (Percentage = 70%). On whether their organizations have come up with new organizational systems to counter market threats, a half the number of respondents agreed (Percentage = 50%) while 46% of them agreed that new methods of production and operations to counter market threats.

The findings implies that the most adopted management innovation among SMEs in South Sudan is come up with new products to counter market threats, come up with new services to counter market threats, come up with new organizational systems to counter market threats as well as new methods of production and operations to counter market threats.

4.5. Inferential Analysis

The study conducted inferential analysis involving correlation and regression to establish the effect of corporate strategy practices on management innovation. This section gives the findings.

4.5.1 Correlation Analysis

The association between corporate strategies and management innovation was established through correlation analysis. A Pearson correlation was used. A positive value of Pearson correlation denotes a positive association. On the other hand, a negative Pearson correlation value denotes negative association. The findings were shown in Table 4.14.

Table 4.11 Correlation Analysis

		Resource Allocation	Portfolio management	Strategic Tradeoffs	Planning Flexibility	Management innovation
Resource Allocation	Pearson Correlations	1				
Portfolio management	Pearson Correlations	.378**	1			
	Sig. (2-tail)	.007				
Strategic Tradeoffs	Pearson Correlations	.149	.061	1		
	Sig. (2-tail)	.302	.674			
Planning Flexibility	Pearson Correlations	.287*	.255	.292*	1	
	Sig. (2-tail)	.043	.074	.039		
Management innovation	Pearson Correlations	.393**	.678**	.333*	.523**	1
	Sig. (2-tail)	.005	.000	.018	.000	
	N	50	50	50	50	50

** Correlations level is significant at the .01 (2-tail).

The results showed resource allocation has a significant positive correlation on management innovation of SMEs in Juba City, Sudan (r = 0.393; P-Value < 0.05). This implied an increased with resources allocation which causes a significant increased with management innovation among SMEs. The results for the study research are inconsistent with the results by Klingebiel and Rammer (2014) who revealed that the choice of resource allocation strategy affects innovation performance. The findings are also consistent with Heimonen (2012) who established that research and innovation funding increased innovation activities in an organization.

The results portfolio management had a positives and significant's correlation with managements innovations of SMEs in Juba City, Sudan (r = 0.678, P-value < 0.05). This implied an increased in portfolio management practices had led to a significant increased with management innovation among SMEs. The results are inconsistent with the reslts of a study by Fatimah *el at* (2016) that similarly showed that portfolio management played a significant role of allocating the necessary assets to the activity of innovation.

It was also established that strategic tradeoffs has a positive and significant correlation with management innovation of SMEs in Juba City, Sudan ($r = 0.333$, P. Value < 0.05). It implied an increased in strategic tradeoffs which causes a significant increased in management innovation among SMEs. The results are inconsistent with the results of a study by Krop (2014) and established that business strategies determine innovation management and ultimately SME performance.

The findings lastly indicated that planning flexibility has a positive and significant correlation with management innovation of SMEs in Juba City, Sudan ($r = 0.523$, P-value < 0.05). This implies that an increase in planning flexibility leads to a significant increase in management innovation among SMEs. The findings are consistent with Martínez *et al* (2014) who found out that when a firm has internal flexibility, it increases its creativity which in turn improves the innovation activities.

4.5.2. Regression Analysis

To establish how each corporate strategies affect management innovation within SMEs, the study carried out a multiple linear regression analysis. The following regression model was adopted:

$$\mathbf{Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon}$$

Where Y = Management Innovation among SMEs, X_1 = Resource Allocation, X_2= Portfolio Management, X_3 = Strategic Trade-offs, X_4 = Planning Flexibility, ε = error term, β_0 = Constant and β_1; β_2; $\beta_{3;}$ β_4 = Regression co-efficient. Results for modeled in summarized form are present in the table 4:10 as below.

Table 4.12 Model Summary

r	r Squares	Adjusted r Squares	std. error of the estimate
.828a	0.685	0.657	0.65439

Predictors: (Const), Planning Flexibility, Portfolio Management, Strategic Tradeoffs, Resource Allocation

The findings indicate that corporate strategy (Planning Flexibility, Portfolio Managements, Strategies Tradeoff and Resources Allocation) can be used to account for up to 68.5% of the variation in management innovation among SMEs in Juba City (R^2 = 0.685). The remaining variation, 31.5% of the variation in management innovation among SMEs in Juba City is explained by other factors other than corporate strategy.

The regression results also showed that the regression model was fit (significance). Analysis of Variance (ANOVA) was used and the findings as presented in Table 4.11.

Table: 4.13 Analysis for Variances (ANOVA)

	sum of square	df	Mean Squares	F	*p*-values
Regressions	41.867	4	10.467	24.442	.000
Residuals	19.27	45	0.428		
Total	61.137	49			

Dependent Variable : Management innovation

Predictors: (Constant), Planning Flexibility, Portfolio Managements, Strategies

Tradeoff, resources allocation

Results indicate that model linking corporate strategy to management innovation among SMEs in Juba city was fit (F = 24.442; P-Value < 0.05). This means for th modeled was a good fit. The study also established the model coefficients to indicate the nature, magnitude as well as it level of significance of connection between the variables shows in table 4.12 as below.

Table 4.14 Model Coefficients

	Unstandardized Co-efficient		**Standardized Co-efficient**		
	Beta	**std errors**	**Beta**	**T**	***P*-Value**
(Const)	0.288	0.178	0.154	1.624	0.111
Resource Allocation	.476	.091	.4230	5.231	0.000
Portfolio Management	0.572	0.091	0.579	6.306	0.000
Strategic Tradeoffs	0.432	0.122	0.322	3.555	0.001
Planning Flexibility	0.671	0.269	0.237	2.496	0.016
Dependent Variable: Management Innovation					

Regression Equation

$Y = 0.288 + \beta_1\, 0.476 + \beta_2\, 0.572 + \beta_3\, 0.432 + \beta_4\, 0.671$

Where: Y = Management Innovation among SMEs, X_1 = Resource Allocation, X_2= Portfolio Management, X_3 = Strategic Trade-offs, X_4 = Planning Flexibility.

The findings in Table 4.14 also shows resource allocation had a positive and significant impact with management innovation among SMEs in Juba City (B = 0.476; t = 5.231; *P*-Value < .05). It implied an increased in resource allocation has caused an increased with management innovation with .476 unit. Findings are inconsistent with the findings of a research study by Gikungu (2016) which established that in the Kenyan Nyeri town, resource allocation was one of the significant determinants of innovative activities among SMEs.

The results in table 4.14 shows portfolio managements had a positives significant impact with managements innovation among SMEs for Juba City (B = 0.572; t = 6.306; *P*-Value < .05). Which implied there is an increased in portfolio management which has led to an increased with management innovation by .572 unit. Results are also inconsistent with the findings for a study by Greis (2013) that revealed has better portfolio management practices helped to free some resources which were crucial in investing in innovation.

It was also established that Strategic Tradeoffs had a positives significant influence with management innovation among SMEs in Juba City (B = .432; t = 3.555; *P*-Value < .05), which implied an increased with strategic Tradeoffs which has led to a management innovation to increase with .432 unit. Results are inconsistent with the results by Lofsten (2014) who indicated that strategic tradeoff spurred innovation significantly.

The findings lastly indicated planning Flexibilities had positives and significant influence with management innovation among SMEs in Juba City (B = 0.671; t = 2.496; P-value < 0.05), which implied there is a increases with Planning Flexibility leads a increased with management innovation by .671 units. Results are consistent Todorut (2008) who indicated that flexibility spurred more creativity among the firms which in turn increased the chances of innovation.

CHAPTER’S FIVE/5: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5:1 Part of Introduction

The sections of for chapter’s five include summarized results particularly descriptive, correlation in addition to regression analysis. The chapter further presents conclusions that are based on the findings, recommendation as well as areas for research studies.

5:2 Summarized Results

Research determined how corporate strategy influence management innovation among SMEs at the republic of South Sudan. Specifically, research main focused was the influence of resource allocation, portfolio management, strategic tradeoffs and planning flexibility on management innovation among SMEs in Juba city, South Sudan. The targeted SMEs were 12,654 but a sample of 99 was determined. The quantitative data collected through questionnaires was analysed through SPSS version 24 to establish the descriptive and correlation findings which have been summarized in this section. The summary is presented per objective.

5.2.1. Allocation of the Resources

The study established the effect of resource allocation on management innovation among SMEs in Juba city, South Sudan. The descriptive findings indicated that SMEs in Juba City encourage innovative behavior to promote management innovation, measures performance against subjective strategic criteria such as progress on product innovations and have invested in technological resources such as IT infrastructure to enhance innovation. However, they don’t come up with new methods of production that are cost effective nor allocates financial resources towards innovative activities such as research and development.

Correlation findings showed resource allocation had significant positive correlation with management innovation of SMEs in Juba City, Sudan which implied an increased with resources allocation leads to a significant increase in management innovation among SMEs. Regression findings indicated resource allocation had a significant positive impact with management innovation among SMEs in Juba City.

5.2.2 Portfolio Management

Research determined impact of portfolio management on management innovation among SMEs in Juba city, South Sudan. The descriptive findings revealed that small and medium enterprises at the republic of South Sudan Juba city engages in risk taking behavior for expansion of business which is highly enhance management innovation, allocates assets to profitable ventures which can enhance management innovation, develop and introduce new products to gain competitive advantage as well as identify exploits and recognizes opportunity for expansion.

Correlation findings indicated that portfolio management has a significant positive correlation on management innovation within SMEs at Juba City, Sudan which implied there is an increase with portfolio management practices which could cause a significant increased with management innovation among SMEs. The regression findings indicated that Portfolio Management had a significant positive impact with management innovation among SMEs in Juba City.

5.2.3 Strategic Tradeoff

The determined the impact of strategy tradeoffs with management innovation among SMEs in Juba city, South Sudan. Descriptive findings indicated that the SMEs in Juba City of Sudan always monitors and adjusts to economic trends, gives priority to various productive ventures at the expense of the unproductive ventures and substitute ventures with low returns to maximize returns. However, most of the SMEs don't always monitor and adjust to economic trends as well as make strategic choices regarding alignment of plans to counter competitor strategies.

Correlation findings indicated that strategic tradeoffs has a significant positive correlation on management innovation for SMEs at Juba City, Sudan which implied there an increased with strategic tradeoffs which causes a significant increased in management innovation among SMEs. The regression findings indicated that Strategic Tradeoffs has a positive and significant effect on management innovation among SMEs in Juba City.

5.2.4 Planning Flexibility

The study determined the effect of planning flexibility on planning flexibility among SMEs in Juba city, South Sudan. The descriptive findings indicated that the SMEs operating in Juba City of Sudan adopt emergence of a new technology, adjust with speed to changes conditions for the economic, new entrance encountered competition at the market with a speed which is high and have operational agility regarding changes in customer preferences and tastes. They are however not well prepared to face changes in government regulations and adjust to it with speed.

The correlation findings indicated that planning flexibility has significant positive correlation on management innovation for SMEs at Juba City, Sudan which implies that there is an increased with planning flexibility which resulted into a significant increased with management innovation among SMEs. The regression findings indicated positive significant impact between planning flexibility and management innovation among SMEs in Juba City.

5.3 Conclusion

The section presents the conclusion based on the study findings. The conclusions have been presented per objective. The inferential findings guided the formulation of the study conclusions.

5.3.1 Resource Allocation

The study concludes that resource allocation has a positive and significant effect on management innovation of SMEs in Juba City, Sudan which implies that an increase in resources allocation leads to a significant increase in management innovation among SMEs.

5.3.2 Portfolio Management

The study concluded that there is a positive significant impact between on portfolio management and management innovation of SMEs in Juba City, Sudan which implied that there is an increased in portfolio management practices which causes a significant increased with management innovation among SMEs.

5.3.3 Strategic Tradeoff

Research also concludes strategic tradeoffs had a positive significant impact with management innovation for SMEs at Juba City, Sudan which implied which increases at strategic tradeoffs which causes a significant increased with management innovation among SMEs.

5.3.4 Planning Flexibility

Another conclusion made by the study is of planning flexibilities had a positive significant influence management innovation within SME in Juba City, Sudan which implied there is an increased in planning flexibilities which caused a significant increase with management innovation among SME.

5.4 Recommendations

This section presents the recommendations for policy implications by the SMEs and the relevant authorities in Juba City in order to enhance management innovation among the SMEs. The recommendations have been presented per objective.

5.4.1 Resource Allocation

Based on the findings that resource allocation had a positive influence with management innovations within SME in Juba city, South Sudan the study recommends SMEs to enhance their resource allocation practices. Some of the practices are encouraging innovative behavior to promote management innovation, performance measured subjectively against strategic criteria like a progress on product innovations, investing in technological resources such as information technology infrastructure to enhance innovation, coming up with new methods of production that are cost effective and allocating financial resources towards innovative activities such as research and development.

5.4.2 Portfolio Management

Based on the findings that portfolio management had a significant positive impact with management innovation among SME in Juba City, research study recommends an increase in portfolio management practices. This can include risk taking behavior for expansion of business which is highly enhance management innovation, assets allocation to profitable ventures which can enhance management innovation, development and introduction of new products to gain competitive advantage as well as identification of exploits and recognition of opportunity for expansion.

5.4.3 Strategic Tradeoff

Based on the findings that Strategic Tradeoffs had a significant positive impact with management innovation among SMEs in Juba City, study recommends that the SMEs should enhance adoption of the strategic tradeoff practices such as monitoring and adjusting to economic trends, giving priority to various productive ventures at the expense of the unproductive ventures, substituting ventures with low returns to maximize returns and monitoring and adjusting to economic trends as well as making strategic choices regarding alignment of plans to counter competitor strategies.

5.4.4 Planning Flexibility

Since it was established that Planning Flexibilities had a positive significant influence with management innovation among SME in Juba City, study recommends that SMEs in Juba City should improve on their planning flexibilities practices such as adopting a latest new technology, adjusting with speed to changes within conditions economic, there is high speed for new entrant entering the market, having operational agility regarding changes in customer preferences and tastes as well as being prepared to face changes in government regulations and adjusting to it with speed.

5:5. Research areas for further study

The research focused on how corporate strategy influence with management innovations within SME at South Sudan republic. This presents a contextual research gap since the study was limited to SMEs in Juba City only. Other studies can focus on

SMEs in other regions other than Juba city only in order to find a comparison. More specifically, a focus on SMEs in the rural setting can provide a good comparison to the extent of adoption of innovation. The study was also limited to only four corporate strategies, this opens up an avenue for a focus on other strategies. Other studies can also focus on the effect of other corporate strategies on management innovation other than the four. Future studies can also narrow on a sector since this study focused on a heterogeneous setting of many sectors.

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APPENDICES

APPENDIX I: INTRODUCTION LETTER

Arok Dut Arok**,**

Kenya Methodist University,

Nairobi Campus

27/03/2019

RE: REQUEST TO PARTICIPATE IN A STUDY ON CORPORATE STRATEGY AND MANAGEMENT INNOVATION AMONG SMEs IN SOUTH SUDAN; A CASE STUDY OF JUBA CITY

My name is Arok Dut Arok, post-graduate student pursuing Master of Business Administration majoring in Strategic Management at Kenya Methodist University. I am conducting a study on corporate strategy and management innovation among SMEs in South Sudan, Juba City. This work is in Partial Fulfillment of the requirements for the award of Master of Business Administration Degree in Strategic Management of Kenya Methodist University. You have been randomly selected to participate in this exercise. I kindly request for your input in filling this questionnaire. Please note that your honest responses will be treated with strict confidentiality and will purely be used for academic purpose. Your acceptance to complete this questionnaire is greatly appreciated.

I would be grateful for your cooperation

……..…………………

Arok Dut Arok.

APPENDIX II: INFORMED CONSENT

Purpose and description of the research project

You are cordially invited to participate in this study. The purpose of the study is to establish relationship between corporate strategy and management innovation among SMEs in Juba City, South Sudan. You have been invited because you qualify to participate in this study as a SMEs business leader, manager and staff. Should you decide to participate, there is no a financial benefit or compensation regarding this study. The researcher will explain the project to you in detail. You should feel free to ask questions. If you have more questions later, Mr. Arok Dut Arok will be available to discuss all issues pertaining the study.

The process

If you accept to take part in this study, the process includes: you will be interviewed by the researcher and asked to fill in the questionnaire.

Risks or discomfort

There will be no risks involved if you participate in the study

Benefits of this study

Although there will be no direct benefit to you for taking part in this study, the researcher may learn more about relationship between corporate strategy and management innovation among SMEs in Juba City, South Sudan.

Confidentiality

Your work and contribution in this study will be confidential. For the benefit of confidentiality and privacy, no name will be recorded on the questionnaires. All records will be maintained in secure database on our computers. Your part in this study is confidential within legal limits. The researchers and the Kenya Methodist University will protect your privacy, unless they are required by law to report information to county or national authorities, or to give information to a court of law. Otherwise, none of the information will identify you by name.

The decision to take part in this study is up to you. If you decide to take part in the study, you may quit at any time. Whatever you decide will not in any way penalize you. If you wish to quit, simply inform Mr. Arok Dut Arok of your decision.

Rights and Complaints

If you are not satisfied with the way this study will be performed, you may discuss your complaints with Madam Dorothy Kirimi and Madam Jane Munga of Kenya Methodist University, anonymously, if you choose to do so.

You have read the Consent Form. Your questions have been answered. Your signature on this form means that you understand the information and you agree to participate in this study.

Name of Participant……………………………………………………...……………………

Signed……………………………………… Date………..…………………

Name of the researchers………………………………………………………………………..

Signed……………………………………… Date………..…………………

APPENDIX III; QUESTIONNAIRE

Corporate Strategy and Management Innovation among Entrepreneurs in South Sudan: a case study of Juba City

My name is Mr. Arok Dut Arok, a student of Kenya Methodist University. I am pursuing a master of business administration degree in strategic management. I am conducting a research of which I am obliged to collect data. My research topic is ‘Corporate Strategy and Management Innovation among Entrepreneurs in South Sudan. A case study of Juba city’’

I am requesting your kindness to answer the questions in this interview guide. Your honest responses will be completely anonymous and will only be used for academic purposes. In case of any clarification contact me on 0921666990 or arokmarit@gmail.com

I would be grateful for your cooperation

…………………………..

Thank you.

SECTION A

Demographic Characteristics

1. Gender

a. Male ( )

b. Female ( )

2. Age

a. Under 18 ( )

b. 18-30 ( )

c. 31-40 ( )

d. Over 40 ( )

3. **Highest level of education attained?**

a. Primary ( )

b. Secondary ( )

c. Tertiary ( )

4. **Work Experience**

a) Below 5 Years ( )

b) 5 – 10 Years ( )

c) 10 – 20 Years ( )

d) Over 20 Years ( )

SECTION B: RESOURCE ALLOCATION

Indicate the extent to which you agree with the following statements on resource allocation by using a scale of 1 to 5 where 5 – Strongly Agree, 4 - Agree, 3- Neutral, 2 – Disagree & 1 – Strongly Disagree.

Statement	1	2	3	4	5
The organization encourages and innovative behavior to promote management innovation					
The organization measures performance against subjective strategic criteria such as progress on product innovations					
The organization constantly come up with new methods of production that are cost effective					
The organization allocates financial resources towards innovative activities such as research and development					
The organization has invested in technological resources such as IT infrastructure to enhance innovation					

SECTION C: PORTFOLIO MANAGEMENT

Indicate the extent to which you agree with the following statements on portfolio management by using a scale of 1 to 5 where 5 – Strongly Agree, 4 - Agree, 3- Neutral, 2 – Disagree & 1 – Strongly Disagree.

Statement	1	2	3	4	5
The organization engages in risk taking behavior for expansion of business which is highly enhance management innovation					
The organization allocates assets to profitable ventures which can enhance management innovation					
There is development and introduction of new products to gain competitive advantage					

The organization identifies exploits and recognizes opportunity for expansion					

SECTION D: STRATEGIC TRADEOFFS

Indicate the extent to which you agree with the following statements on strategic tradeoffs by using a scale of 1 to 5 where 5 – Strongly Agree, 4 - Agree, 3- Neutral, 2 – Disagree & 1 – Strongly Disagree.

Statements	1	2	3	4	5
The organization always monitors and adjusts to economic trends					
The organization gives priority to various productive ventures at the expense of the unproductive ventures					
The organization makes strategic choices regarding alignment of plans to counter competitor strategies					
There is substitution of ventures with low returns to maximize returns					

SECTION E: PLANNING FLEXIBILITY

Indicate the extent to which you agree with the following statements on planning flexibility by using a scale of 1 to 5 where 5 – Strongly Agree, 4 - Agree, 3- Neutral, 2 – Disagree & 1 – Strongly Disagree.

Statement	1	2	3	4	5
The emergence of a new technology is adopted					
Shifts in economic conditions is adjusted to with speed					
The market entry of new competition is countered with speed					
Changes in government regulations is prepared for and adjusted to with					

speed					
The organization has operational agility regarding changes in customer preferences and tastes					

SECTION F: MANAGEMENT INNOVATION

Indicate the extent to which you agree with the following statements on management innovation by using a scale of 1 to 5 where 5 – Strongly Agree, 4 - Agree, 3- Neutral, 2 – Disagree & 1 – Strongly Disagree.

Statement	1	2	3	4	5
The organization has come up with new products to counter market threats					
The organization has come up with new services to counter market threats					
The organization has come up with new organizational systems to counter market threats					
The organization has come up with new methods of production and operations to counter market threats					

Appendix IV: Research Introduction Letter (KEMU)

Kenya Methodist University

P.O Box 267 - 60200, Meru, Kenya. Tel: (+254-020) 2118423-7, 064-30301/31229 Fax: (+254-064) 30162 Email: info@kemu.ac.ke , Website: www.kemu.ac.ke

June 10, 2019

Executive Secretary
National Council for Science and Technology
P.O Box 30623 – 00100
NAIROBI

Dear Sir/ Madam,

RE: AROK DUT AROK – BUS-3-1890-3/2017

This is to confirm that the above named is a bona fide student of Kenya Methodist University pursuing a Master degree in Business Administration (Strategic Management).

Arok is undertaking a research study on "**Corporate strategy and management innovation among SMEs in South Sudan: A case study of Juba City**". To successfully complete his research work, he requires relevant data in his area of study.

In this regard, we kindly request your office to issue him a research permit to enable him collect the data for his academic research work.

We thank you in advance for your cooperation.

Yours faithfully,

Kenya Methodist University
Dean
18 JUN 2019

Dr. Evangeline Gichunge
Associate Dean, Research Development & Board of Postgraduate Studies

The Future is Here!

Appendix V: Research Authorization Letter (Sudan)

SOUTH SUDAN NATIONAL CHAMBER OF COMMERCE, INDUSTRY & AGRICULTURE

Your Ref.......................

Our Ref. JUA/14/021

Date: 14/6/2019

TO WHOM IT MAY CONCERN

Re: Authorization Letter to Conduct Market Research.

This letter serves to grant **Mr. Arok Dut Arok** to conducting Market research to fulfill an academic requirement in order to qualified him for the awards of Master Degree in Business Administration (Strategic Management) with Registration number BUS-3-1890-3/2017, he is pursuing at Kenya Methodist University.

This research is only for the purpose in which this letter is written. Any diversion in this matter is not acceptable.

Your cooperation to make his survey successful is highly appreciated.

Yours Sincerely,

A. L. Gore 14/6/2019

SSCCIA

14 JUN 2019

2

SOUTH SUDAN

Angelo Lado Gore

General Manager

Adjacent to Summer Palace Hotel, Juba - South sudan. Tel: +211 (0) 920 706 661 / +211 (0) 917 304 509
E-mail: info@southsudanchamber-commerce.org / website: www.southsudanchamber-commerce.org

Appendix VI: List of SMEs

Number	Name
1	HALLIBURTON INTERNATIONAL LIMITED
2	SUN KING BOOSHOP
3	PARARAH INTERNATIONAL CO. LTD
4	LIMAAN GENERAL TRADING CO. LTD
5	SOUTHERN LINK TOURS AND TRAVEL SERVICES LTD
6	LANDLORD FOR TRADING AND INVESTMENT CO. LTD
7	BLUE MOON GENERAL TRADING COMPANY LIMITED
8	ZEREGABER GENERAL TRADING COMPANY LIMITED
9	GENG PETROLEUM CO. LTD
10	MAYOM FOR ENGINEERING & TRANSPORTATION CO. LTD
11	ST KIZITO MEDICAL CENTRE LIMITED
12	MAT AND MIKE GENERAL TRADING COMPANY LIMITED
13	MAJESTIC INTERNATIONAL COMPANY (MIC) LTD
14	KHATRI FOR TRADE & INVESTMENT CO. LTD
15	EURO WORLD LTD
16	KEY TO SUCCESS CO. LTD
17	TUSMA GENERAL TRADING COMPANY LIMITED
18	SIF TECH LIMITED
19	VISION FOR SERVICES CO. LTD
20	SLM AND FAMILY ENTERPRISES LIMITED
21	COMMUNICATIONS TECHNOLGY (CTL) LIMITED
22	GORRET GENERAL TRADING CO. LTD
23	TIAN YUAN CONSTRUCTION GROUP SOUTH SUDAN BRANCH
24	OCEANS HMF
25	TECLE ABRAHA GENERAL TRADING CO. LTD
26	DIRE PETROLEUM CO. LTD
27	TRAD BROSS COMPANY LTD
28	YERE CONSTRUCTION & TIMBER CO. LTD
29	DIMA GAKA TRADING CO. LTD
30	SUPREME SOUL FOR GENERAL TRADING & INVESTMENT CO. LTD
31	MESNO GENERAL TRADING CO. LTD
32	HODDING HILLS UNITED INVESTMENT CO. LTD
33	BEIN TRADING COMPANY LIMITED
34	SHIAN TOURS AND TRAVEL CO. LIMITED
35	QUICK COMPANY LIMITED
36	TOP TWENTY GENERAL TRADING CO. LTD
37	ABE GENERAL FOR TRADING AND INVESTMENT CO. LTD
38	CHANGO'LOI TRADING AND INVESTMENT CO. LTD

Number	Name
39	JUBILEE PETROLEUM CO. LTD
40	FAMILY INVESTMENT LTD
41	GOANJA FOR CONSTRUCTION AND TRADE COMPANY LIMITED
42	ADOON GENERAL TRADING LTD
43	WEYNI HOTEL
44	PANKIIR GENERAL TRADING AND INVESTMENT CO. LTD
45	JOKRIAL VETERINARY SERVICES & INVESTMENT CO. LTD
46	GOLD CROWN FOR INVESTMENT CO. LTD
47	FUTURE HOLDING LTD
48	ALL POWERS LTD
49	BAHCHU TRADING CO. LTD
50	YAKUBA FOR INVESTMENT AND TRADING COMPANY LIMITED
51	JLAND ENTERPRISES (S. SUDAN) LIMITED
52	GRIDSOFT ENGINEERING LIMITED
53	MATHEW CLEARING & FORWARDING
54	JUBA BUTCHERY SERVICES CO. LTD
55	MAJAK BAAI TRADING AND INVESTMENT COMPANY LIMITED
56	NILLIA CO. LTD
57	CHARM NATIONAL INSURANCE CO. LTD
58	FREE BABY GENERAL TRADING CO. LTD
59	LA BAGUETTE COMPANY LIMITED
60	PETRA SUPPLIES AND ENGINEERING LTD
61	DAK FOR TRADING AND CONSTRUCTION LTD
62	CROCODILE HOUSE FOR IMPORT AND EXPORTS CO. LTD
63	HADINET GENERAL TRADING CO. LTD
64	ALMA FOR TRADING & CONSTRUCTION CO. LTD
65	ALEXANDER GENERAL TRADING CO. LTD
66	FERUZA GENERAL TRADING CO. LTD
67	MAAM GENERAL TRADING CO. LTD
68	AHA TRAVEL, TOURISM AND TRANSPORT CO. LTD (AHA)
69	TRANSHORN GENERAL TRADING COMPANY LIMITED
70	MINNITAKI LIMITED
71	BLUE WAVE INTERNATIONAL ENTERPRISES COMPANY LIMITED
72	PANDA COMPANY LIMITED
73	ROYAL SUPPLIES AND SERVICES CO. LTD
74	WAHAZIT GENERAL COMPANY LIMITED
75	M.T FOR INDUSTRIAL & SUPPLIES & SERVICES LTD
76	SOUTH STONE PETROLEUM
77	A.T.A GROUP FOR PTEROLEUM & SERVICES CO. LTD
78	NATIONAL INSURANCE CORPORATION (SOUTHERN SUDAN) LIMITED)

Number	Name
79	'SAAHIB ENTERPRISES LIMITED"
80	R & Z ENTERPRISE CO. LTD
81	SOUTH RASSAN PETROLEUM ENTERPRISE CO. LTD
82	BAFRA PETROLEUM CO. LTD
83	WINGS INVESTMENT CO. LTD
84	PAT - DRILL AFRICA LIMITED
85	KIDEN & BROS CO. LTD
86	LELTY GENERAL TRADING CO. LTD
87	MAMA NYADENG TRADING COMPANY LIMITED"MNTC"
88	CAPITAL GROUP CO. LTD
89	MAYOM GENERAL TRADING CO. LTD
90	SHIFAK MEDICAL & SCIENTIFIC SUPPLIES
91	KUSH UNITED LIMITED
92	EQUATOR GOLD HOLDINGS LIMITED
93	BRIGHT FUTURE CO. LTD
94	POWERMET CO. LTD
95	FABULOUS CO. LTD
96	JONGLEI CITY CO. LTD

Source: Juba City Enterprise Records, 2019