

**STRATEGY, ORGANIZATIONAL STRUCTURE, RESOURCE ALLOCATION AND FIRM
PERFORMANCE AMONG MEDIUM ENTERPRISES IN UGANDA**

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ABSTRACT

This study examined the relationship between strategy, organizational structure, resource allocation and performance among medium enterprises in Uganda. The objectives were; examine the relationship between strategy and firm performance; organizational structure and firm performance; resource allocation and firm performance; mediating effect of resource allocation in the relationship between strategy, organizational structure and firm performance; and examine joint effect of strategy, organizational structure and resource allocation on firm performance. The study was a cross-sectional research design along with a quantitative research approach. This study used a sample of 80 top-ranked medium enterprises in Uganda from a total of 100. Primary data was obtained from finance officer, executive manager and 3 heads of department of finance, marketing and operations using organizational structured questionnaire instrument. Validity of this tool was determined using expert judgment and CVI. Reliability of the tool was determined using Cronbach Alpha Coefficient and a mini-survey. Data was analyzed using SPSS version 25 and Med-Graph. Results were presented using frequency tables and inferential statistics. The study found a positive relationship between strategy and firm performance. Also, this study obtained a positive relationship between organizational structure and firm performance. It was established that resource allocation is positively correlated with firm performance. Strategy, organizational structure and resource allocation were significant predictors of firm performance. This research found that strategy was the most significant predictor. Resource allocation was a partial mediator in the relationship between strategy and firm performance and a full mediator in the

relationship between organizational structure and firm performance. The study concludes that strategy, organizational structure and resource allocation are indispensable in firm performance. This research recommends; adopting a clear strategy, organizational structure and intensifying resource allocation to stimulate firm performance.

Key words: strategy, organizational structure, resource allocation and firm performance

Background to the Study

Firm performance is a high priority for all businesses, and medium enterprises are no exception (Turyatempa et al., 2022). Medium Enterprises, in Ugandan context, refer to those enterprises which employ at least 50 people and have a sales turnover along with total assets value of more than UGX. 360m (Turyahikayo, 2015). Donkor, Donkor, Kankam-Kwarteng and Aidoo (2018) emphasize that medium enterprises can only continue to contribute towards the economic growth and development of nations if they perform (Ronald et al., 2023). Their ability to render employment opportunities and serve as major source of innovation is inclined on how they perform (Bongomin, Ntayi, Munene & Malinga, 2017). No wonder, in Uganda Medium enterprises performance is emphasized as one of the attributes that can direct the country towards attaining vision 2040 (Kyambadde, 2015).

However, World Trade Report (2016) indicates that medium enterprises profitability declined by at least 7.6 percent between 2013 and 2015. Between 2016 and 2017, average profitability among medium enterprises fell from 8.8% to 6.6% (Annet et al., 2023). On the contrary, there are specific medium enterprises which have consistently registered improved performance within the same period. An example is Integrated Security Solutions which recorded improvement in profits by 23.5% between 2016 and 2017 (Integrated Security Solutions Annual Report, 2017). Pearl Dairy Farms Limited

financial records also reveal decline in leverage by 7.9% by close of 2018 from 32.6% in 2017. Profitability ratios of Return on assets (ROA) highlighted increase from 3.1% to 3.5% while Return on Equity (ROE) changed from 13.8% to 17.7% (Pearl Dairy Farms Ltd Annual Report, 2018).

The contribution of strategy, organizational structure and resource allocation to attain firm performance by top medium enterprises in Uganda is still unclear. Most of the studies which focus on these variables have been conducted elsewhere, specifically Asia (Ben Slama Zouari & Boulila Taktak, 2014; Levy, Powell & Yetton, 2011; McMahon, 2007; Yuliansyah et al., 2017). Much as they strongly contend that these factors are important, their focus was on firms which were experiencing low performance. More so, these studies are incomplete because they do not clearly indicate the magnitude to which strategy, organizational structure and resource allocation can influence firm performance. Against this backdrop, this study is justified in the sense explores the opportunities upon which medium enterprises hinge on to remain high performers.

Statement of Opportunity

While Uganda is ranked among the top countries with the highest failure rate of businesses resulting from low performance, the Top ranked 100 Medium enterprises have consistently remained profitable and liquid. Between 2016 and 2018, the aggregated ROA increased by 2.1%, 5.4% and 7.9% correspondingly. ROA on the other hand improved from 2.1% in 2015 to 2.7% in 2016, 4.5% in 2017 and 5.7% in 2018 (Turyatemba et al., 2022). In addition, the proportion of Debt to Equity has also declined from 47.3% in 2016 to 32.9% in 2018 (Uganda Investment Authority 2018) Specifically, Integrated Security Solutions profits improved from 17.1% in 2016, 21.3% in 2017 and 23.5% in 2018 (Integrated Security Solutions Annual Report, 2018). This is happening amidst the high rate of business failure in Uganda as a result of poor performance (GEM Report, 2017). It could be likely that top 100 medium enterprises in

Uganda are thriving as a result of strategies, organizational structure and resource allocation. This propels the researcher to seek further inquiry into the matter.

Research Objectives

- 1. To examine the relationship between strategy and firm performance among medium enterprises in Uganda*
- 2. To assess the relationship between organizational structure and firm performance among medium enterprises in Uganda*
- 3. To examine the relationship between resource allocation and firm performance among medium enterprises in Uganda*
- 4. To examine the combined effect of strategy, organizational structure and resource allocation on firm performance among medium enterprises in Uganda*
- 5. To examine the mediating effect of resource allocation in the relationship between strategy, organizational structure and firm performance among medium enterprises in Uganda*
- 6. To examine the mediation effect of resource allocation in the relationship between strategy and firm performance among medium enterprises in Uganda*
- 7. To examine the mediation effect of resource allocation in the relationship between organizational structure and firm performance among medium enterprises in Uganda*

Research Questions

- 1. What is the relationship between strategy and firm performance among medium enterprises in Uganda?*
 - 2. What is the relationship between organizational structure and firm performance among medium enterprises in Uganda?*
 - 3. What is the relationship between resource allocation and firm performance among medium enterprises in Uganda?*
 - 4. What is the combined effect of strategy, organizational structure and resource allocation on firm performance among medium enterprises in Uganda?*
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5. *What is the mediation effect of resource allocation in the relationship between strategy, organizational structure and firm performance among medium enterprises in Uganda?*
6. *What is the mediation effect of resource allocation in the relationship between strategy and firm performance among medium enterprises in Uganda?*
7. *What is the mediation effect of resource allocation in the relationship between organizational structure and firm performance among medium enterprises in Uganda?*

Methodology

Research Design

The study was conducted in a cross-sectional design along with a quantitative research approach. The research design was applied because it facilitates making conclusions and recommendations within a short time. Moreover, this research design was considered fit considering the short time frame within which it was supposed to be completed (Field, 2009). Quantitative research approach was used because it clearly expresses how variables relate using statistical results (Rahman, 2016).

Study Population

The population comprised top ranked 100 Medium Sized Enterprises in Uganda (Uganda Investment Authority (UIA, 2018). This study concentrated on these medium enterprises because of the surprise performance they continued to record in a country which is ranked as having one of the highest business closures attributable to poor performance (GEM Report, 2018). The underlying reasons behind the exceptional performance of these medium enterprises are still unclear.

Unit of Analysis

The top ranked 100 Medium enterprises according to the UIA (2018) were regarded as the unit of analysis for the study.

Unit of Inquiry

This constituted 5 respondents from every firm. These respondents were a finance officer, executive manager and 3 heads of department of finance, marketing and operations. Accordingly, the study was anticipated to obtain responses from a total of 400 respondents. These participants were selected because they are directly involved in making important strategic decisions upon which the organization operates. Therefore, they have the onus to determine the business strategy, organizational structure and resource allocation.

Sample size and Selection technique

The sample constituted 80 top-ranked medium enterprises. This was determined based on the Krejcie and Morgan (1970) table for selecting sample size. To obtain this sample, the study applied simple random sampling technique. This technique was applied because it minimizes bias in selecting the sample. It accords every element of the population an equal chance of being selected (Creswell, 2014). Selecting the unit of inquiry was purposive in the sense that participants who were considered as having direct attachment to the variables studied were the ones selected.

Data Analysis

Data obtained from the field was analyzed using Statistical Package for Social Sciences (SPSS v. 25) (Nelson et al., 2022). Results were presented using frequency tables and inferential statistics. Frequency tables presented results in relation to demographic characteristics, interpreted based on percent values. Correlation analysis was used to examine the relationship between studied variables, and regression; to examine the predictability of studied variables.

RESULTS

Number of Branches

The study also obtained information in relation to the number of branches and these results are presented in Table 1.

Table 1: Number of branches

Branches	Frequency	
	(n=58)	Percent
Less than 10	52	90.0
10-20	5	8.5
21 and above	1	1.5

Source: Primary Data

The interpretation of the results from table 1 above indicated that over 90% of the enterprises had less than 10 branches across the county. In other words, top ranked medium enterprises operated with few branches, something that could be directed towards minimizing operational expenses such as; electricity, water and salaries among others. These results therefore implied that for firms to perform, they may have to reduce on operational expenses as they affect the overall profitability and liquidity of businesses.

Capitalization

The study also used a frequency table to summarize data in relation to the firm's capitalization and the obtained results are shown in 2.

Table 2: Capitalization

Capitalization	Frequency	
	(n=58)	Percent
400-800 m	10	16.9
801 m-1.2 bn	15	26.2
1.21 bn above	33	56.9

Source: Primary Data

Table 2 indicated that most top ranked medium enterprises in Uganda had capitalization of 1.21 bn above (56.9%). This meant that top ranked medium enterprises in Uganda operate with large capital base. Based on this, it can be argued that top

ranked medium enterprises have sufficient capital required to run the business efficiently, which contributes to firm performance.

Annual turn over

The study ascertained data regarding annual turnover levels which are summarized in Table 3.

Table 3: Annual turn over

Annual turn over	Frequency	
	(n=58)	Percent
360-500 m	1	2.3
501-640 m	11	19.2
641-780 m	8	14.6
Above 780 m	37	63.8

Source: Primary Data

Furthermore, results from table 3 above indicated that most of the top medium enterprises had an average annual turnover of at least 780 m. This signified that top ranked medium enterprises record high sales. It is very likely that firms with high turnover will become profitable and liquid considering that most of the time they are generating income medium enterprises. More so, high turnover could also signify that firms are highly customer-oriented. Accordingly, customers reciprocate by buying top ranked ME products and services.

Number of Employees

The study also obtained information in relation to the number of employees. The obtained results are summarized in Table 4.6.

Table 4: Number of Employees

No. of employees	Frequency	
	(n=58)	Percent
50-100	21	35.4

101-150	29	50.0
151 above	8	14.6

Source: Primary Data

Results presented in Table 4 obtained that very few top ranked medium enterprises had 151 employees above (14.6%). This meant that most enterprises employed relatively small number of employees. This is possible that top ranked medium enterprises were employing few employees to lower operational costs in order to increase the possibility of achieving performance desired.

Respondents' Characteristics

The study ascertained respondents' characteristics in terms of gender, age, education level and working experience. The results are summarized in tables below

Gender distribution of the respondents

The study obtained information of gender distribution of the respondents who participated in this study. The obtained results were presented using a frequency table indicating frequency and percent values upon which interpretation was based.

Table 5: Gender distribution of the respondents

Gender	Frequency(n=58)	Percent
Male	39	66.9
Female	19	33.1

Source: Primary Data

Results presented in Table 5 above postulated that in most top ranked medium enterprises in Uganda, the dominant executive and departmental staff were male constituting 66.9% compared to 33.1% for females. The results meant that top ranked medium enterprises preferred males in most top management levels. It is possible that males were making appropriate management decisions which guided firms to attain performance targets.

Age of the respondent

The results in the table below show the results for the age range distribution of respondents of the study. The obtained results are summarized as shown in Table 6.

Table 6: Age of the respondent

Age Bracket	Frequency(n=58)	Percent
<i>Below 30 yrs</i>	3	5.4
<i>30-39 yrs</i>	17	30.0
<i>40-49 yrs</i>	28	47.7
<i>50 yrs and above</i>	10	16.9

Source: Primary Data

The interpretation of the results from table 4.8 above postulated that most management and departmental heads for top ranked medium enterprises ranged between 40-49 years. This meant that most management and departmental heads were old personnel. It could be so because old personnel have gained enough learning experience as a result of working in the same firm or other firms.

Correlation Analysis

Pearson Zero-Order Correlation analysis was obtained to establish the relationship between the independent variables (strategy, organizational structure, resource allocation) and the dependent variable (firm performance) in order to address objectives 1-3 of the study. This analysis was opted because of the nominal scale which was used when collection data used herein. These results are presented in Table 7.

Table 7: Pearson Correlation Analysis

Variable/Construct	Std.		1	2	3	4	5	6	7	8	9	10	11
	Mean	Dev											
Strategy (1)	3.62	0.36	1										
Differentiation (2)	3.86	0.55	.58**	1									
Concentration (3)	3.48	0.60	.65**	.20*	1								
Cost leadership (4)	3.64	0.52	.56**	.28**	.41**	1							

Organizational structure (5)	3.95	0.50	.34**	.59**	-0.10	.25**	1						
Centralization (6)	3.62	0.66	.56**	.27**	.46**	.22*	0.07	1					
Decentralization (7)	3.95	0.50	.34**	.59**	-0.10	.25**	1.00**	0.07	1				
Formalization (8)	3.83	0.48	.50**	.48**	.29**	.43**	.46**	.43**	.46**	1			
Resource allocation (9)	3.67	0.45	.59**	.35**	.52**	.35**	.25**	.61**	.23**	.64**	1		
Resource prioritization (10)	3.89	0.80	0.12	.28**	0.09	.44**	.34**	0.06	.34**	.51**	.51**	1	
Resource monitoring (11)	3.57	0.65	.44**	0.12	.53**	.19*	-0.10	.52**	-0.10	.32**	.65**	0.06	1
Resource planning (12)	3.64	0.66	.43**	.26**	.38**	-0.02	0.05	.30**	0.05	.22*	.54**	-0.03	.34**
Firm performance (13)	3.62	0.32	.64**	.34**	.48**	.32**	.35**	.40**	.35**	.51**	.72**	.31**	.56**

Notes: n=58; *. p<.05 level (2-tailed); **. p<.01 level (2-tailed); Values rounded to two nearest decimal points

Source: Primary Data

Explanation of Descriptive Results

Table 7 obtained mean values of 3.62, 3.95, 3.67 and 3.62 in relation to studied variables of strategy, organizational structure, resource allocation and firm performance correspondingly. Furthermore, standard deviations corresponding to the mean values were .36 for strategy, organizational structure (.50), resource allocation (.45) and .32 in relation to firm performance. The mean values meant that most of the participants who responded to the instrument agreed with the views, although their level of agreement was relative or average except under organizational structure where they strongly agreed.

Strategy and Firm Performance

Table 7 revealed that there was a significant and positive relationship between strategy and firm performance. ($r=.64$, $p<0.01$). According to these findings, having a good strategy in place would enhance firm performance. These results are of the implication that one of the probable reasons why some firms perform while others do not is due to the strategy they apply as they seek to attain goals and objectives. Furthermore, the results indicated that differentiation strategy is significantly and positively associated

with firm performance ($r=.34$, $p<0.01$). These results meant that adopting differentiation strategy would increase the propensity of firm performance. In the same way, the results obtained that there is a significant and positive relationship between concentration strategy and firm performance ($r=.48$, $p<0.01$). This meant that firms which decide to undertake concentration strategy can increase the possibility of enhancing performance. Likewise, there was a significant and positive relationship between cost leadership strategy and firm performance ($r=.32$, $p<0.01$). This meant that firms can increase the possibility of achieving performance once they adopt cost leadership strategy. Overall, the significant and positive relationship between each of the studied strategies and firm performance implied that whichever strategy a firm decides to adopt can translate in firm performance.

Organizational structure and Firm Performance

Correlation results in Table 7 indicated significant and positive relationship between organizational structure and firm performance ($r=.35$, $p<.01$). In this case, the results meant that enhancing organizational structure enhances the propensity of achieving firm performance. The implication of the results is that firms must have a specific organizational structure in place in order to increase on the chances of achieving firm performance. The three organizational structures which were studied include; centralization, decentralization and formalization. As indicated in Table 7, there is a significant and positive relationship between centralization and firm performance ($r=.40$, $p<.01$). This meant that the more firms apply centralization organizational structure is the more they increase on the chances of achieving firm performance. Additionally, results obtained a significant and positive relationship between decentralization organizational structure and firm performance ($r=.35$, $p<.01$), which meant that firms that seek to improve performance need to adopt decentralization organizational structure. Lastly, the results established that there is a significant and positive relationship between formalization organizational structure and firm

performance ($r=.51$, $p<.01$). In essence, these results meant that applying a formalized organizational structure could enhance firm performance. Moreover, the significant and positive relationship established each organizational structure and firm performance implied that any organizational structure adopted by a firm is able to increase its propensity to achieve performance.

Resource Allocation and Firm Performance

Table 7 revealed a significant and positive relationship between resource allocation and firm performance ($r=.72$, $p<0.01$). This meant that the more firms enhance resource allocation is the more they are likely to boost firm performance. In this case, the results implied that firms should improve resource allocation, because when they do so; they will increase on the possibility of achieving firm performance. Worth noting, this study obtained a significant and positive relationship between resource prioritization and firm performance ($r=.312$, $p<0.01$). In the same manner, the results revealed significant and positive relationship between resource monitoring and control and firm performance ($r=.560$, $p<0.01$). Likewise, a significant and positive relationship was obtained between resource planning and firm performance ($r=.466$, $p<.01$). These results meant that enhancing resource prioritization, resource monitoring and control and resource planning can translate in firm performance. The implication therefore is that all levels of resource planning are crucial enhancing firm performance.

Regression Analysis

The regression analysis was obtained to determine the predictability of the independent variables (strategy, organizational structure and resource allocation) in the variances that would be exhibited in the dependent variable (firm performance). The study used hierarchical regression model because it is a more elaborative approach as ably ranks variables according to their order of predictability. These results are presented in Table 8.

Table 8: Hierarchical Regression Analysis between study variables

Variable	Model			T	Sig.
	1	2	3		
Constant	1.588	1.361	1.034		
Strategy	.560**	.513	.253	7.310	.000
Organizational structure		.100**	.084	2.237	.027
Resource Allocation			.364**	7.287	.000
F	88.037	47.899	62.734		
Sig.	.000	.000	.000		
R	.638	.656	.774		
R²	.408	.430	.599		
Adj. r²	.403	.421	.589		
Δr²	.408	.022	.169		
F Change	88.037	5.006	53.103		

Notes: n=58; Dep Var=Firm performance; Tolerance>.1; VIF<5; ** p<.01;

Standardized beta-values presented.

Source: Primary Data

Overall, regression results in Table 8 revealed $F=62.734$, $Sig. = .000$ (Model 3) in relation to the predicting variables of strategy, organizational structure, resource allocation. These results meant that there was a statistically significant predictability between the studied predictors and the dependent variable (firm performance). Therefore, the results implied that the statistics reflected in this model were good enough to rely upon for making necessary conclusions and recommendations. Results revealed that jointly strategy, organizational structure and resource allocation predicted up to 58.9% of the variance in the dependent variable ($Adj\ r^2=.589$). This meant when a firm has a good strategy, organizational structure and efficient resource allocation, it is able to significantly improve firm performance to a magnitude of up to 58.9%.

Furthermore, the results obtained $\Delta r^2=.408$ in relation to strategy. This implied that strategy alone is responsible for 40.8% of the total variance in firm performance. On the other hand, results indicated $\Delta r^2=.022$ in relation to organizational structure. These results meant that organizational structure contributes 2.2% of the total effect towards the dependent variable. $\Delta r^2=.169$ in relation to resource allocation on firm performance, meant that 16.9% change of the total variance in firm performance is explained by resource allocation. Based on the results, it was established that strategy is the most significant predictor for firm performance, followed by resource allocation and organizational structure causes the least effect. This implied that as far as improving firm performance is concerned, the most important factor is a firm's strategy.

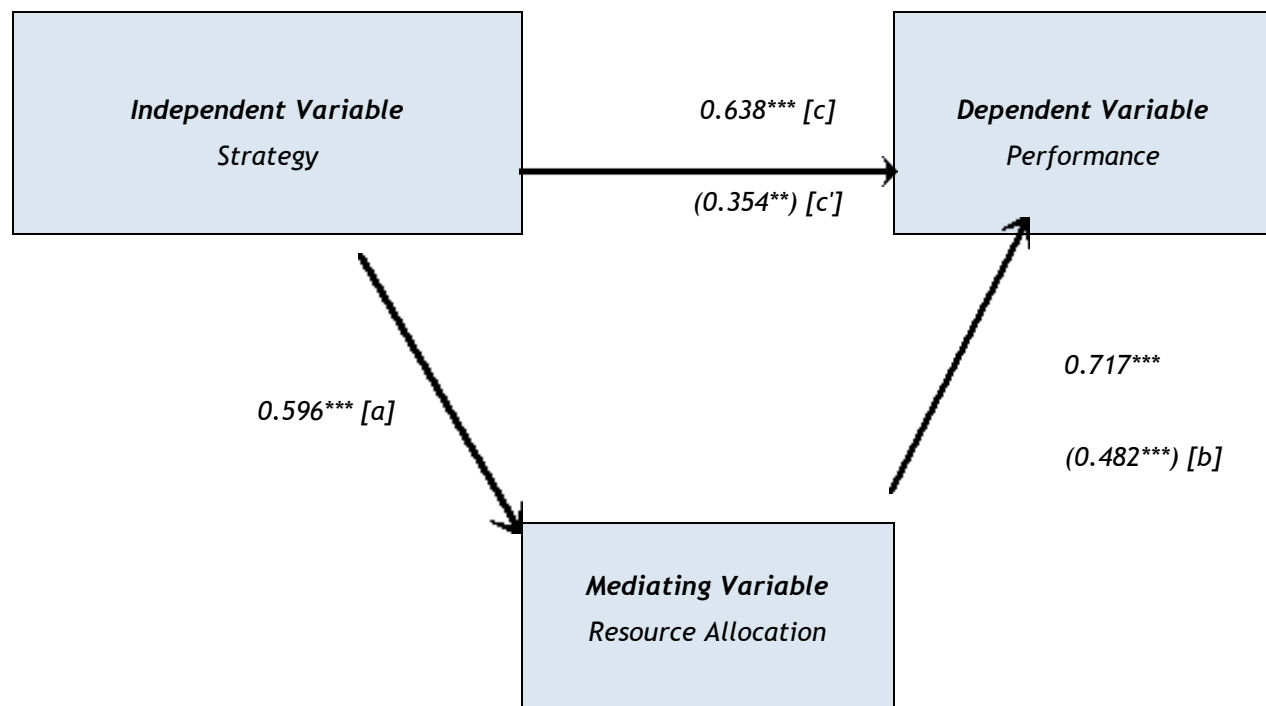
Testing of Mediation

Table 9: Mediating effect of resource allocation in the relationship between strategy and firm performance

Model	Unstandardized Coefficients		Standardized Coefficients		F	Sig.	R	R ²	Adj. R ²	ΔR^2
	B	Std. Error	Beta							
1 (Constant)	3.503	0.265								
Turnover	0.092	0.031	0.253							
Employees	-0.096	0.040	-0.206	2.921	.011 ^b	.353 ^a	0.125	0.082	0.125	
2 (Constant)	1.479	0.294								
Strategy	0.569	0.060	0.648	17.181	.000 ^c	.705 ^b	0.496	0.468	0.372	
3 (Constant)	1.213	0.260								
Strategy	0.311	0.066	0.354							
Resource Allocation	0.342	0.055	0.482	24.692	.000 ^d	.787 ^c	0.620	0.595	0.124	

Notes: n=58, Dep Var: Firm Performance, Ind. Var: Strategy, Med Var=Resource Allocation

Source: Primary Data



Type of mediation=Significant; $n=58$; Direct=.638; Indirect=.284; **, *** significance at $p<.01$, $p<0.001$; Sobel z-value=4.990123; $p=0.000001$

Figure 1: Med-Graph illustrating the effect of resource allocation in the relationship between strategy and firm performance

Source: Primary Data

Results indicated that there is a statistically significant relationship between strategy and resource allocation (Figure 1; $r=.596$, $p<.001$). Second, it was revealed that there exists a statistically significant relationship between strategy and firm performance (Model 2: $r^2=.496$, $F=17.181$, $p\text{-value}<.05$). A statistically significant relationship was also obtained between resource allocation and firm performance (Table 4.4; Model 3: $r^2=.620$, $F=24.692$, $p\text{-value}<.05$). Additionally, the total effect of strategy towards firm performance when the mediator is included in the analysis (Model 3; Beta=.354) is smaller compared to Model 2; Beta=.648 when strategy is analyzed directly with the

dependent variable. Overall, the results above meant that resource allocation is a mediator in the relationship between strategy and firm performance. This implied that resource allocation facilitates the relationship between strategy and firm performance to exist.

Further, the results obtained that the total effect of strategy on firm performance reduces though remains significant whether with or without mediator ($c = r = .638$, $p < .001$ to $c' = r = .354$, $p < .001$). These results meant that resource allocation is a partial mediator in the relationship between strategy and firm performance. Results obtained that 44.5% (Indirect/Direct*100) of the total effect of strategy on firm performance is indirect while 55.5% is direct. The implication is that strategy alone cannot result in cause full variations in firm performance, not until there is proper resource allocation.

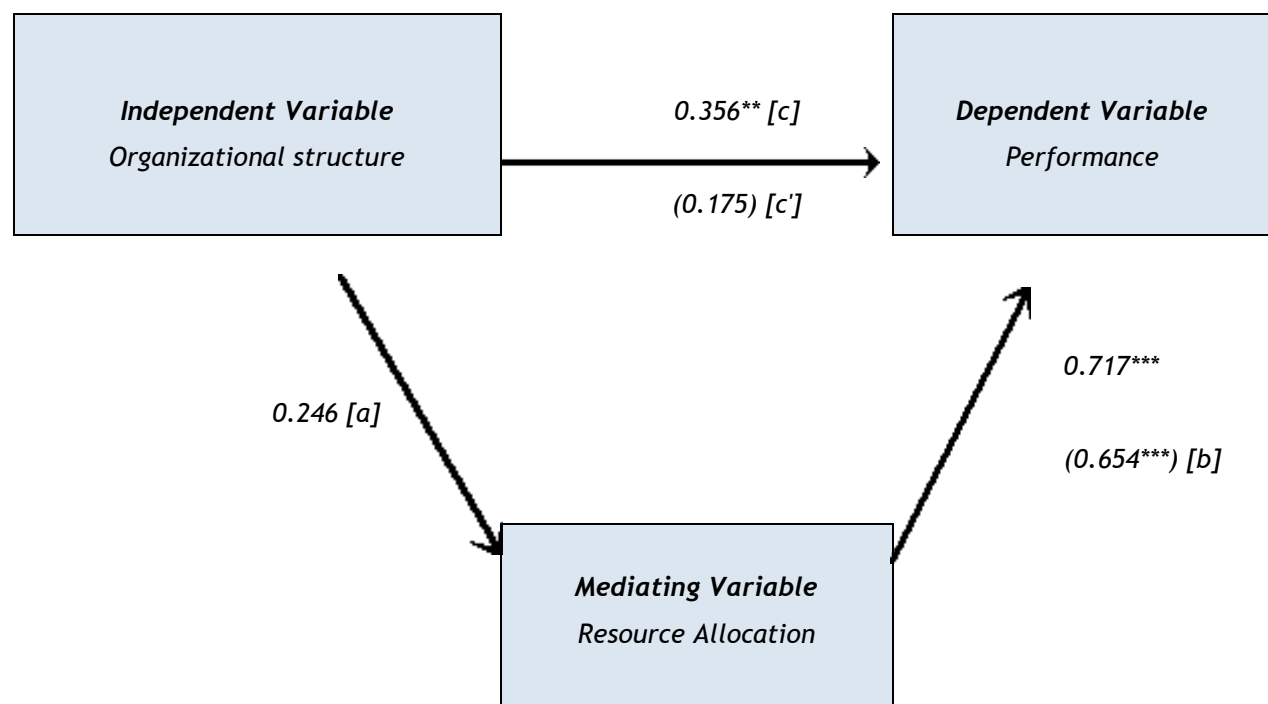
Table 10: Mediation effect of Resource Allocation in the relationship between Organizational structure and Firm performance

		Unstandardized		Standardized				Adj.		
		Coefficients		Coefficients		R		R ²		
		Std.								
Model		B	Error	Beta	F	Sig.				ΔR ²
1	(Constant)	3.503	0.265							
	Turnover	0.092	0.031	0.253						
	Employees	-0.096	0.040	-0.206	2.921	.011 ^b	.353 ^a	0.125	0.082	0.125
2	(Constant)	2.717	0.310							
	Employees	-0.100	0.037	-0.213						
	Organizational structure	0.218	0.051	0.345	5.431	.000 ^c	.487 ^b	0.238	0.194	0.113
3	(Constant)	1.497	0.262							
	Organizational structure	0.111	0.040	0.175						

Resource Allocation	0.464	0.047	0.654	20.759	.000 ^d	.761 ^c	0.579	0.551	0.341
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Notes: n=58, Dep Var: Firm Performance, Ind. Var: Strategy, Med Var=Resource Allocation

Source: Primary Data



Type of mediation=Significant; n=58; Direct=.356; Indirect=.181; **, *** significance at $p < .01$, $p < 0.001$; Sobel z-value=2.754509; $p = 0.005878$

Figure 2: Mediation effect of Resource Allocation in the relationship between Organizational structure and Firm performance

Source: Primary Data

Results indicated a statistically significant relationship between organizational structure and resource allocation (Figure 4.2; $r = .264$, $p < .05$). The results further indicate a statistically significant relationship between organizational structure and

firm performance (Table 4.5; Model 2: $r^2=.238$, $F=5.431$, $p\text{-value}<.05$). More so, the results ascertained that there exists a statistically significant relationship between resource allocation and firm performance (Table 4.5; Model 3: $r^2=.579$, $F=20.759$, $p\text{-value}<.05$). Furthermore, results indicated that the total effect of organizational structure become medium enterprises smaller with the inclusion of resource allocation (Model 2; $\text{Beta}=.0.264$ to Model 3; $\text{Beta}=.175$). The above results meant that resource allocation is a mediator in the relationship between organizational structure and firm performance. Furthermore, the results indicated in Figure 4.2 revealed that the beta weight for the basic relationship between organizational structure and firm performance reduces from significant ($c=r=.314$, $p<.05$) to non-significant ($c'=r=.034$, $p<.05$) as a result of the mediator's inclusion in the analysis. This portrayed that resource allocation is a full mediator in the relationship between organizational structure and firm performance. The implication of the results is that unless there is resource allocation, organizational structure will not cause significant variations in firm performance.

Conclusion

Businesses are under intense pressure to perform because their success is entirely attached to how they are able to attain financial and non-financial performance attributes. Our research contributes knowledge by clarifying policy makers and managers about the relevance of strategy, organizational structure and resource allocation towards firm performance. It is affirmed that a firm's strategy should not be taken for granted if a firm is to perform. Our research notifies that irrespective of the choice of strategy adopted, a firm will achieve considerable performance.

Recommendations

Firms must have a clear strategy to enhance performance. They can either choose concentration strategy to focus on a specific niche, or differentiation strategy to

produce unique products, or cost leadership strategy by adopting the most efficient ways of producing high quality products which are cheap.

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