

Production Development Strategy: A Tool for Improving Productivity and Profitability in Organizations

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Abstract

Production Development Strategy (PDS) involves the systematic planning and implementation of activities to improve organizational productivity and profitability. This study examined the effect of PDS on organizational productivity and profitability using the Resource-Based View (RBV) as its theoretical framework. A mixed-methods design combined quantitative survey data and qualitative case insights from Sunex Nigeria Limited & Co., Uyo, Nigeria. Data were collected from 65 employees selected through simple random sampling from a population of 286 and analyzed using descriptive statistics and mean score analysis. Findings revealed that process optimization, talent development, technology adoption, lean manufacturing, and continuous improvement positively influence operational efficiency, quality improvement, cost reduction, and profitability. Talent development and continuous improvement emerged as the strongest performance drivers, supporting the RBV proposition that valuable organizational capabilities sustain competitive advantage. The study concludes that effective PDS enhances productivity and profitability, recommending strategic alignment, human capital development, technology investment, and continuous improvement in Nigerian manufacturing firms.

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Background to the Study

Considering today's increasingly dynamic and competitive business environment, organizations are under constant pressure to improve operational efficiency, reduce production costs, enhance product quality, and respond rapidly to changing customer preferences. Globalization, technological advancement, and evolving market expectations have made effective production management a critical determinant of organizational competitiveness and long-term sustainability (Hayes and Wheelwright, 1984; Slack *et al.*, 2010). Organizations that fail to develop effective production strategies often experience operational inefficiencies, excessive waste, declining productivity, and reduced profitability.

Production Development Strategy (PDS) represents a systematic approach through which organizations plan, develop, and continuously improve their production processes, products, technologies, and operational capabilities to achieve strategic objectives. It integrates activities such as process optimization, quality management, technology adoption, innovation, lean manufacturing, talent development, and efficient resource utilization to create value for customers while improving organizational performance (Kotler, 2003, 2009; Hill and Jones, 2010; Porter, 1985; Sharma, 2008). Effective production development strategies enable organizations to enhance production efficiency, minimize waste, improve product quality, and strengthen their competitive positions in business.

Resource-Based View (RBV) is the theoretical foundation for this study, which argues that organizations achieve sustainable competitive advantage through the development and effective utilization of valuable, rare, inimitable, and non-substitutable resources and capabilities (Barney, 1991). Within the production context, these strategic capabilities include skilled employees, advanced production technologies, continuous improvement systems, and efficient operational processes. Consequently, Production Development Strategy serves as a practical mechanism through which organizations develop these capabilities to achieve superior productivity and profitability.

The existing empirical studies have consistently shown that production planning, lean manufacturing, quality management, technological innovation, and employee development positively influence organizational performance (Banker *et al.*, 1993; Syverson, 2011; Ohno, 1988; Deming, 1986). Similarly, Raphael and Chikwendu (2011) argued that production involves transforming organizational inputs into valuable outputs through carefully coordinated strategic activities. According to Hill and Jones (2010) investments in talent development, process innovation, and production technologies have also been associated with significant improvements in productivity and financial performance.

Despite the growing body of international literature, empirical evidence on Production Development Strategy within manufacturing firms in emerging economies, particularly Nigeria, remains relatively limited. Much of the existing research has focused on

developed economies where technological infrastructure, institutional support, and production systems differ substantially from those found in developing countries. Consequently, there is insufficient evidence on how integrated production development strategies influence productivity and profitability within manufacturing organizations Nigeria. This study addresses this gap by examining the relationship between Production Development Strategy and organizational productivity and profitability using Sunex Nigeria Limited & Co. as a case study. Specifically, the study seeks to determine the extent to which production development practices contribute to improved operational performance and financial outcome in organizations.

The study is guided by the following research questions:

What is the impact of Production Development Strategy on organizational productivity?
How does Production Development Strategy influence organizational profitability?

The following hypotheses were tested:

- H₁: Production Development Strategy has a significant positive impact on organizational productivity.
- H₂: Production Development Strategy has a significant positive impact on organizational profitability.

It contributes to the existing literature by extending the application of the Resource-Based View within the Nigerian manufacturing context and providing empirical evidence on how Production Development Strategy enhances organizational performance. The findings also provide practical insights for managers and policymakers seeking to improve productivity and competitiveness through strategic production management.

Methodology

This study employed a mixed-methods research design, that combines quantitative survey data with qualitative case study insights to examine the influence of Production Development Strategy (PDS) on organizational productivity and profitability. The approach was considered appropriate because it provides both numerical evidence and contextual understanding of production development practices within organizations according to Yin, 2018. The study location was Sunex Nigeria Limited & Co., Uyo, Akwa Ibom State, Nigeria, a manufacturing firm engaged in production-related activities. The target population comprised 286 employees across the production, quality assurance, maintenance, administration, and management departments of the company.

Simple random sampling technique (ballot method) was employed to ensure that every employee had an equal chance of participating in the study. Seventy (70) questionnaires were distributed, of which 65 were properly completed and returned, representing a 92.9% response rate. Consequently, all analyses were based on the 65 valid responses. Data were collected using a structured questionnaire developed from established Production Development Strategy constructs identified in previous studies (Hill and Jones, 2010; Slack et al., 2010; Ohno, 1988).

The questionnaire consisted of three sections as follows:

Respondents' demographic information;

Production Development Strategy dimensions (process optimization, talent development, technology adoption, lean manufacturing, and continuous improvement);

Organizational performance outcomes (productivity, quality improvement, cost reduction, and profitability).

Responses were measured on a five-point Likert scale:

5 = Strongly Agree

4 = Agree

3 = Undecided

2 = Disagree

1 = Strongly Disagree

Content validity was established through expert review by two specialists in Operations and Production Management. A pilot study involving ten employees from another manufacturing organization produced a Cronbach's alpha coefficient of 0.84, indicating satisfactory internal consistency and reliability (Nunnally, 1978). Descriptive statistics were used for the analyses of the quantitative data, including frequencies, percentages, mean scores, and standard deviations. Mean values were interpreted using the following decision rule:

Mean Range	Interpretation
4.50–5.00	Strongly Agree
3.50–4.49	Agree
2.50–3.49	Undecided
1.50–2.49	Disagree
1.00–1.49	Strongly Disagree

The arithmetic mean was computed as:

$$\bar{X} = \frac{\sum xi}{N}$$

Where:

$\bar{X}$ = Arithmetic mean,

$\sum$ = Summation,

$\bar{X}$ = Total distribution,

i = Elements in the set,

N = Number of respondents.

Qualitative information obtained during informal discussions with selected supervisors and production managers was used to support and explain the quantitative findings. Ethical principles were strictly observed. Participation was voluntary, respondents gave informed consent, and anonymity and confidentiality were maintained throughout the study. Since the study focused on a single manufacturing firm and relied largely on self-reported data, the findings should be interpreted with caution regarding generalization to other organizations.

Results

Respondent's Characteristics:

Results on the sex distribution of respondents and educational qualification of respondents are shown on the tables below.

Out of the 70 questionnaires distributed, 65 were completed and returned, giving a response rate of 92.9%.

Table 1: Sex Distribution of Respondents (n=65)

Sex	No of Respondents	Percentage
Male	42	64.6
Female	23	35.4
Total	65	100

Source: Field survey – July, 2026

Table 2: Educational Qualification of Respondents

Qualifications	Frequency	Percentage (%)
Master's Degree	5	7.7
First Degree/HND	19	29.2
Diploma/NCE	28	43.1
Secondary School	13	20
Total	65	100

Source: Field survey – July, 2026

The respondents were predominantly male (64.6%), while females constituted 35.4%. Most respondents possessed Diploma/NCE qualifications (43.1%), followed by First Degree/HND holders (29.2%).

Production Development Strategy Practices

Table 3: Mean Scores on Production Development Strategy Activities

Variable	Mean	SD	Decision
Process Optimization	4.00	0.72	Agree
Talent Development	4.86	0.39	Strongly Agree
Technology Adoption	4.38	0.61	Agree
Lean Manufacturing	4.00	0.69	Agree
Continuous Improvement	4.81	0.42	Strongly Agree

Source: Field survey – July, 2026

The results indicate that respondents generally agreed that Production Development Strategy practices are implemented within the organization. Talent development (Mean =

4.86) and continuous improvement (Mean = 4.81) received the highest ratings, while process optimization and lean manufacturing were also positively rated.

Effects of Production Development Strategy

Table 4: Effects of Production Development Strategy

Variable	Mean	SD	Decision
Streamlines Production Processes	4.02	0.74	Agree
Enhances Quality Control	4.38	0.58	Agree
Reduces Production Costs	4.05	0.71	Agree
Increases Organizational Profitability	4.88	0.33	Strongly Agree

Source: Field survey – July, 2026

The findings suggest that Production Development Strategy contributes positively to organizational performance. Respondents strongly agreed that Production Development Strategy increases profitability (Mean = 4.88), while they also agreed that it enhances production processes, improves quality control, and reduces production costs.

Relevance of Production Development Strategy

Table 5: Relevance of Production Development Strategy

Variable	Mean	SD	Decision
Process Optimization	4.12	0.66	Agree
Talent Development	4.18	0.63	Agree
Technology Adoption	4.21	0.60	Agree
Lean Manufacturing	4.40	0.57	Agree
Continuous Improvement	4.82	0.36	Strongly Agree

Source: Field survey – July, 2026

The respondents agreed that all dimensions of Production Development Strategy contribute to organizational productivity and profitability. Continuous improvement received the highest rating, suggesting that respondents consider it the most important strategy for sustaining organizational performance.

Discussion

The findings indicate that Production Development Strategy (PDS) is positively associated with organizational productivity and profitability, demonstrating that the implementation of its practices contributes significantly to improved organizational performance. The results consistently reveal positive relationships between Production Development Strategy practices and key performance outcomes, suggesting that

organizations adopting these strategies are better positioned to achieve operational efficiency, increased productivity, and enhanced profitability.

The study further shows that Production Development Strategy practices are actively implemented within the organization. Among the various dimensions examined, talent development (Mean = 4.86) and continuous improvement (Mean = 4.81) received the highest ratings, indicating that respondents perceive these as the most effectively implemented practices. Process optimization and lean manufacturing were also positively rated, reflecting their important role in improving production efficiency and supporting organizational objectives.

In addition, the findings reveal that Production Development Strategy has a positive effect on organizational performance. Respondents strongly agreed that it increases profitability (Mean = 4.88), while also enhancing production processes, improving quality control, and reducing production costs. Furthermore, respondents agreed that all dimensions of Production Development Strategy contribute to organizational productivity and profitability, with continuous improvement receiving the highest rating. This suggests that continuous improvement is regarded as the most important strategy for sustaining organizational performance and maintaining long-term competitiveness.

Conclusion

This study examined the influence of Production Development Strategy on organizational productivity and profitability using Sunex Nigeria Limited & Co. as a case study and the Resource-Based View as its theoretical foundation. The findings demonstrate that Production Development Strategy plays a significant role in enhancing organizational performance through process optimization, talent development, technology adoption, lean manufacturing, and continuous improvement practices. These strategic initiatives contribute to improved operational efficiency, enhanced product quality, reduced production costs, and increased profitability.

The study provides empirical support for the Resource-Based View by demonstrating that organizations can achieve sustainable competitive advantage through the development of unique operational capabilities and human capital. Among the various dimensions of Production Development Strategy, talent development and continuous improvement emerged as the most influential factors, highlighting the importance of investing in people alongside technological and process improvements. The study contributes to knowledge by providing empirical evidence from the Nigerian manufacturing sector, where research on Production Development Strategy remains limited. It further demonstrates that integrated production strategies can serve as effective tools for improving organizational competitiveness in resource-constrained environments. From a practical perspective, the findings provide useful guidance for managers, production executives, and policymakers seeking to strengthen manufacturing performance through strategic operational improvements.

Although the study provides valuable insights, its findings should be interpreted in light of certain limitations. The research focused on a single manufacturing organization and relied primarily on perceptual measures obtained through employee responses, which may limit the generalizability of the findings. Future studies should incorporate multiple organizations across different industries, employ longitudinal research designs, and include objective financial and operational performance indicators such as return on assets, production efficiency, defect rates, and return on investment. Additional research could also investigate the moderating effects of organizational culture, technological capability, and supply chain resilience on the relationship between Production Development Strategy and organizational performance.

On the whole, the study demonstrates that Production Development Strategy is not merely an operational function but a strategic capability that significantly enhances organizational productivity, profitability, and long-term competitiveness. Organizations that systematically invest in developing their production capabilities are better positioned to achieve sustainable growth and maintain competitive advantage in an increasingly dynamic business environment.

Recommendations

Considering the findings of this study, recommendations are proposed for organizations, management, manufacturing firms, production managers, policy makers and future researchers as follows:

1. Organizations should integrate Production Development Strategy into their overall corporate strategy to ensure that production activities are aligned with long-term organizational goals and competitive priorities.
2. Management should invest continuously in employee training, skills development, and capacity building, as human capital remains one of the strongest drivers of productivity and sustainable competitive advantage.
3. Manufacturing firms should adopt appropriate production technologies, automation systems, and digital manufacturing tools that improve operational efficiency, product quality, and production flexibility while reducing operating costs.
4. Organizations should institutionalize continuous improvement programmes such as Kaizen, Total Quality Management (TQM), and Lean Manufacturing to promote innovation, eliminate waste, and encourage employee participation in problem-solving.
5. Production managers should establish effective performance measurement systems that regularly monitor productivity, quality, production costs, and profitability to support evidence-based decision-making and continuous operational improvement.
6. Policymakers should strengthen support for manufacturing firms through investment incentives, technology acquisition programmes, infrastructure development, and workforce training initiatives that encourage the adoption of modern production development practices.

For future researchers, they should conduct comparative studies involving multiple manufacturing firms and sectors across Nigeria and other developing economies to enhance the generalizability of findings and further validate the Resource-Based View within different organizations.

Practical guidance is provided by these recommendations for organizations seeking to improve productivity and profitability through strategic production development while offering a foundation for future scholarly inquiry into production development strategies and performances in organizations.

Conflict of Interest

The authors declare no conflict of interest.

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