

# Strategies and Performance Nexus in the Zimbabwean Manufacturing Sector during the Economic Crisis

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## ABSTRACT

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The performance and the contribution of the Zimbabwean manufacturing sector to the Gross Domestic Product, employment and export revenues has declined significantly since 1996. However, some manufacturing firms are operating at more than 60% capacity utilisation and posting positive profit margins. This shows significant performance variation of firms operating in the same business environment which may be a result of variation the strategies used by firms. Knowledge of the most effective strategies in economic crisis will help several manufacturing firms that are currently struggling to survive in the economic crisis. The main goal was to determine the strategies used by manufacturing firms during the period of economic crisis in Zimbabwe. In addition the study also sought to establish the most effective strategies that improved the performance of manufacturing firms in period of an economic crisis. The study used the descriptive research design, which is also a type of the conclusive research design. A survey questionnaire was administered to 272 firms in the nine sub-sector of the manufacturing sector that are currently operational. Multiple regression analysis was used to determine the influence of the strategies on the profitability of firms of different sizes. The results of the study showed that there is a positive relationship between strategies with a greater emphasis on analysis and pro-activeness and performance. In addition results of the study indicated that there is a negative and significant relationship between strategies oriented towards aggressiveness and riskiness and performance.

**Keywords:** management strategy, business performance, manufacturing, economic crises, Zimbabwe