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STRATEGIC ORIENTATION AND COMPETITIVE ADVANTAGE OF SELECTED DEPOSIT MONEY BANKS IN LAGOS STATE, NIGERIA

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Abstract

The banking sector globally occupies a unique position in any economy as an important instrument of economic development. The sector has been plagued with the challenge of sound management and good governance and problem arising from non-performing loans has been source of concerns apart from weak internal control realities that have resulted in dwindling performance. Hence, this study investigated the effects of strategic orientation on organizational performance of selected deposit money banks in Nigeria. Survey research design was used. Ten major money deposit banks were selected in Lagos state who control about 80% of the *total asset base of the entire deposit money banks in the industry. Stratified random and proportionate sampling were used for the study and the table of sample size determination developed by Krejcie and Morgan was used to determine the sample size of 988. A well-structured questionnaire was adapted and validated. The Cronbach's alpha reliability coefficients for the constructs ranged between 0.741 and 0.865. The response rate was 81.47%. Data were analyzed using descriptive and inferential statistics. Finding revealed that strategic orientation measured by strategic leadership, strategic planning, strategy implementation, strategy evaluation and strategic control significantly affects competitive advantage of deposit money banks.(Adj. R2 = 0.518; F(5,798)=173.921).The study concluded that strategic orientation significantly affects organizational performance of deposit money banks in Lagos state, Nigeria. It recommended that the Nigerian banking industry required support and strong regulatory backing from the government to compete favourably in the ever-competitive global financial arena, that both the government and the various regulatory agencies put regulations in place that will engender growth and sustainability in the industry.*

Keywords: Strategic orientation, Organizational performance, Competitive Advantage, Deposit Money Banks

INTRODUCTION

Globally, the banking sector of any economy occupies a unique place being one of the most important instruments of national development. The sector is gradually emerging from the financial crisis that rocked it in the past few years, requiring a tighter regulation in the midst of huge debt portfolio in the western world, and the growth in banks in some emerging economies that is presently transforming the sector. The impact of this crisis and the resultant economic instability and the economic and banking sectors' reforms have brought about changes in the global banking industry leading to incredible competitiveness and technological sophistication that has resulted in a new era in banking. Since then, banks globally, have been relentless in their quest to become strong financially, operationally effective, efficient and strategically positioned. Under this scenario, the financial market has fully become global, though the regulators and the basic requirements remain national and this is one of the challenges that banks have to operate with. In addition, the financial crisis has brought to the fore the need for banks to fully understand their business models and the risks and uncertainties in the operating environment and therefore the operators now have to be agile and well positioned to be at the forefront of meeting this need and contribute to the long term sustainable success of the industry (Amba, 2014; Deloitte, 2018; Standard & Poor, 2017). Arising from the above scenario, it is imperative for banks to continually improve effectiveness and their internal operational model and processes. This is aimed at improving banks' performance in terms of productivity and growth. The Nigerian banking industry is not an exception as financial institutions in the global and local financial arena today have had to adopt a customer-first or focused strategy in all areas of their businesses in order to survive.

Statement of the problem

A large number of studies have examined strategic orientation organizational performance relationship and competitive advantage, the results have been inconclusive, with findings ranging from positive to negative, and to no relationships (Ali, 2016; Awino, 2013; Maroa & Muturi, 2015). Munshi (2013) in the study of the contribution of strategic management and strategic thinking processes to organizational performance reported that strategic management and strategic thinking enhance competitive advantage. Also, Olanipekun, Abioro, Akanni, Arulogun, and Rabiu (2015) reported that adoption of strategic management practices initiates positive changes that consequently lead to competitive advantage and sustainable performance. However, the study of strategic orientation and organizational performance in real estate banks by Jassmy and Bhaya ((2016) reported that the role of strategic orientation in the determination of competitive advantage is unclear while Hao and Song (2016) in their study concluded that strategic orientation does not automatically lead to better performance or competitive advantage. Therefore, strategic success requires a clear understanding of the needs of the market, and the satisfaction of targeted customers more effectively and more profitably than by competitors. However, in the Nigerian banking industry, the effect of strategic orientation on competitive advantage of selected deposit money banks in Lagos state, has not been fully investigated.

The threats to the Nigerian financial services industry include regulatory restrictions, intense competition, rapidly changing pace of technology, and cyber threats. The sector has been plagued with the challenge of sound management and good governance and problem arising from non-performing loans has been source of concerns apart from weak internal control realities, resulting in dwindling performance, loss of jobs, distress and outright failures. In addition, as a result of attractive interest rates on deposits and loans, credits are given out indiscriminately without proper credit risk appraisal and management. The resultant effects were that much of such credits became bad and irrecoverable. Consequently, loan assets quality deteriorated and contributed to bank failures (Banks' Annual Report, 2012-2016).Therefore, how should banks reassess their strategies after the global financial crisis, the restructuring in the industry in Nigeria and the hostile operating environment? What are the strategic implications to the industry? How do they sustain revenue, growth and profitability? Strategic orientation of the operators and managers in the banking industry would provide senior bankers and board members with the opportunity to reassess and explore the prospects of banking and their strategic positioning, developing new approaches and models for strategic management in the fast changing and competitive environment.

Objective of the study

The objective of this study is to determine the effect of strategic orientation on competitive advantage of selected deposit money banks in Lagos state, Nigeria.

Research question

The study answered the following question: how does strategic orientation affect the competitive advantage of selected deposit money banks in Lagos state, Nigeria?

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

Strategic Orientation

Today's business operating environment is highly competitive and the interest, time and level of commitment to strategy development depend a great deal on the level or degree of competitiveness of the particular industry or environment in which businesses operate. Generally, strategic orientation is a positive factor for organizations. In its simplest form, strategic orientation states the long-term way or plan that an organization may pursue in order to thrive. It is related to the decision that a business makes to achieve superior performance (Jassmy & Bhaya, 2016). In other words, strategic orientation is an organization's direction for reaching a suitable behavior in order to attain superior performance. It guides the direction firms intend pursuing geared towards monitoring their activities for improved and better performance. Strategic orientation of a firm therefore reflects its entrepreneurial, operational and marketing posture (Kumar, Boesso, Favotto & Menini, 2012; Obeidat, 2016). It is discussed conceptually as closely linked with strategic management. "Strategy is the direction and scope of an organization over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations" (Johnson, Scholes & Whittington, 2008, p.3).

"Strategies are the means by which long-term objectives will be achieved" (David, 2011, p. 13). Stewart (2004) opined that strategy underpins organizational survival by proactively anticipating and dealing with challenges from competitors. "The strategic management process can be described as an objective, logical, systematic approach for making major decisions in an organization. It attempts to organize qualitative and quantitative information in a way that allows effective decisions to be made under conditions of uncertainty" (David, 2011, p.7). Strategic management is aimed at improving organizational performance as management matches the activities of the organization to its environment and also the organization's resource capabilities. Organizational performance is determined by the ability of the firm to find its unique position and strategic management practice is the tool that enables the firm to acquire that strategic position (Porter, 2004).

From the various definitions harvested, while agreeing with David, (2011); Stewart, (2004) and Porter, (2004) that strategic orientation is more competitors focused, this researcher is of the opinion that environmental factors and customer interest should be paramount in the process of strategic management because of the strong influence of environmental factors and the supremacy of customers, and these must be considered as they also influence organizational goal attainment. Strategic orientation therefore is defined by this researcher as organizational mindset in crafting organizational objectives, developing and deploying strategies aimed at achieving the stated objectives, linking the long-term vision of the organization to the daily work plans. It is a critical factor in an organization that could determine its failure or success.

The sub-variables for measuring strategic orientation in this study are strategic leadership, strategic planning, strategy implementation, strategy evaluation and strategic control. Strategic leadership in this study is the ability to influence others to voluntarily make day-to-day decisions that enhance the long-term organization's viability and the ability to anticipate and envision the future, maintain flexibility, think strategically and initiate changes that will create a competitive advantage for the organization over its competitors. Strategic planning involves determination of organizational goals and defining the means for achieving them bearing in mind the capability of the organization. The study adopted the definition by David (2011) of strategy implementation: developing a strategy-supportive culture and creating an effective organizational structure, the presence of these ingredients in his definition makes it more encompassing and more acceptable. Strategy evaluation is the examination of the overall well-being of the company and its future goals. Strategic evaluations provide objective method for testing the efficiency and effectiveness of business strategies, as well as a way to determine whether the strategy being implemented is moving the business toward its intended strategic objectives. The process helps in identifying when and what corrective actions are necessary to bring performance back in line with business objectives (David, 2011). Further, it helps keep a check on the validity of strategy choices. The evaluation process provides feedback on the continued relevance of the strategic choices made during the formulation phase. Finally, strategic control includes developing rules, guidelines, procedures and limits for directing the work of employees and departments towards the attainment of organizational goals (Ashe-Edmunds,2018). Strategy control is a critical component of the strategic management process in providing learning and feed forward to the strategy formulation stage; and corrective actions and feedback to the strategy implementation process. It is also an integral part of the implementation process, as it involves tracking, monitoring and evaluating the effectiveness of the implemented strategies, as well as making any necessary adjustments and improvements where necessary.

Competitive Advantage

Strategic management is all about gaining and maintaining competitive advantage. This term is often used to refer to anything that a firm does well in comparison to its rival firms (David, 2011). Competitive advantage refers to a superiority gained by an organization when it can provide the same value as its competitors but at a lower price or can charge higher prices by providing greater value through differentiation. It results from matching organizational core competencies to the opportunities (Porter, 1980). According to Amadeo (2018), a competitive advantage is what makes an entity's goods or services superior to all of a customer's other choices. The strategies work for any organization, country, or individual in a competitive environment. A particular organization's competitive advantage is derived from the heterogeneous, strategic, and organization-specific resources that are difficult to imitate. Porter (1985) argued that competitive advantage is a key determinant of superior performance. It is the unique ability of a firm to utilize its resources effectively, managing to improve customer value and position itself ahead of the competition. In other words, it's something that a company does better than its competitors because of some proprietary process, service, or brand. A superiority gained by an organization when it can provide the same value as its competitors but at a lower price or can charge higher prices by providing greater value through differentiation. Competitive advantage results from matching core competencies to the opportunities. Porter (1985) stated further that competitive advantage grows fundamentally out of the value a firm is able to create for its buyers that exceeds the firm's cost of creating it. It is at the heart of the firm's performance in competitive markets, implying that competitive advantage means having low costs, differentiation advantage, or a successful focus strategy. Competitive advantage is equated in this sense to profitability or performance and sustainable advantage to sustainable profitability.

From the resource-based view (RBV), unique resources are the sources of sustained competitive advantage and to generate such advantage, a resource must be rare, valuable, inimitable, non-tradable, and non-substitutable (Barney, 1991). The RBV approach to competitive advantage contends that a firm's internal resources are more important than external factors in achieving and sustaining competitive advantage. That organizational performance will primarily be determined by internal resources that can be grouped into three all-encompassing categories of physical resources, human resources, and organizational resources.RBV theory asserts that resources are actually what help a firm exploit its opportunities and neutralize threats.

Strategic Orientation and Competitive Advantage

A commonly stated assumption is that competitive advantage is gained through the introduction of novelty or newness as consumers are more willing to pay premium rents for unique products and services (Freel 2005; Freel & Robson 2004). This has been supported by findings of various researchers. Monday, Akinola, Ologbenla and Aladeraji (2015) in their work on strategic management and firm performance, a study of selected Nigeria stock exchange quoted manufacturing companies in Lagos state, the result indicated that strategic management has a positive relationship with the level of competition of the firms. Garad, Abdullahi and Bashir (2015) in their study of the relationship between strategic management and organizational performance in Mogadishu, Somalia revealed that there is a statistically significant positive relationship between strategic management and organizational performance leading to a competitive advantage in the industry.

Aremu, Aremu and Olodo (2015) while studying the impact of strategic management on their performance to enhance the sustainability of small and medium scale enterprises (SMEs) in the north central zone of Nigeria, concluded that external and internal variables of strategic management are major factors that must be considered by SMEs in order to achieve sustainable development. This was corroborated by Olanipekun, Abioro, Akanni, Arulogun, and Rabiu (2015) in their study of the impact of strategic management on competitive advantage and organizational performance, evidence from Nigeria bottling company whose findings revealed that the adoption and implementation of strategic management practices makes the organization not only to be proactive to changes in its operating environment, but also initiate positive changes that consequently lead to competitive advantage and sustainable performance.

In the same vein, the study of Sani and Hassaballah (2014) impact of strategic management elements in enhancing firm's sustainable competitive advantage, a study of Nigeria's manufacturing sector, the results revealed that there is a positive and significant relationship between strategic management elements; implementation and control with sustainable competitive advantage; innovation. Munshi (2013) reviewed the contribution of strategic management and strategic thinking processes to organizational performance and reported that both strategic management and strategic thinking can be used to achieve competitive advantage. This finding corroborated an earlier result by the study of Dirisu, Iyiola and Ibidunni (2013) on product differentiation: a tool of competitive advantage and optimal organizational performance, of Unilever Nigeria plc customers in Ota, Ogun state, Nigeria, who reported that competitive advantage is achieved through product differentiation which leads to greater organizational performance. Also, Agha, Alrubaiee and Jamhour (2012) in their study of the effect of core competence on competitive advantage and organizational performance in the United Arab Emirate using a paint industry, reported the varying importance of core competence dimensions on competitive advantage and organizational performance in addition to the indication that core competence has a strong and positive impact on competitive advantage and organizational performance, and that competitive advantage has a significant impact on organizational performance. This result agreed with the findings of Bani-Hani and Al-Hawary (2009) who argued that core competencies are key components in enhancing competitive advantage. They also reported in their work that there is a significant positive relationship between core competencies and competitive advantage.

Majeed (2011) in a study of the impact of competitive advantage on organizational performance in Pakistan, with specific emphasis on the relationship of competencies and firm's performance concluded that a positive relationship exists between a firm's competitive advantage and its performance. Furthermore, Rose, Abdullah and Ismad (2010) reported that organizational edge from the resource-based view enhances firm's performance as it improves their differential advantage position. Similarly, Raduan, Jegak, Haslinda, and Alimin (2009) concluded that there exists a positive relationship between unique edge and organizational success. That competitive edge is able to significantly predict the variance in the performance of the organization, and also, continuing in their analysis of management, strategic management theories and the linkage with organizational competitive advantage from the resource-based view (RBV), revealed that examination of organizational competitive advantage from the RBV perspective is indeed crucial because it enhances performance through the application and manipulation of identified internal organizational resources, both tangible and intangible, capabilities and systems. Pablos (2006) in his work on transnational corporations and strategic challenges: analysis of knowledge flows and competitive advantage reported that improvement in the operations of the global institute it studied depends to a large extent on its skills to identify and transfer technical knowledge between its geographically dispersed locations.

Finally, on the perspective of strategic leadership and competitive advantage, ZiaudDin, Shabbir, Asif, Bilal and Raza (2017) in their study of the impact of strategic leadership on performance in Pakistan, reported that strategic leadership has significant impact on performance. In their findings, they specifically reported that one unit change in strategic leadership will bring 1.234 units change in task performance. This confirmed and aligned with the findings of Nthini (2013) that strategic leadership practices have a strong positive relationship with customer satisfaction and return on investment, Khayota (2014) that strategic leadership influenced strategy implementation through managerial involvement in key decision-making, and Ussahawanitchakit (2012) that strategic leadership has significant positive relationship with both organizational learning and competitive advantage, that indeed strategic leadership influences organizational performance and management.

There is therefore an agreement among these studies that strategic orientation has a significant effect on organizational performance measured with competitive advantage, as the various studies reviewed seem to have supported the positive association that exists between competitive advantage and organizational performance, however, most of these studies were done outside the banking industry.

Theoretical Framework

The resource-based theory was the underpinning theoretical foundation for this research. Resources in the resource-based view refer to a firm's assets, capabilities, organizational processes, firm attributes, information and knowledge controlled by the firm that enable the firm to conceive of and implement strategies that improve its efficiency and effectiveness, these valuable resources and their strategic utilization help to seize opportunities or neutralize threats in an organization's operating environment (Barney, 1991).Penrose's (1959) book, the theory of the growth of the firm, is considered by many scholars in the strategy field to be the seminal work that provided the intellectual foundations for the modern, resource-based theory of the firm.

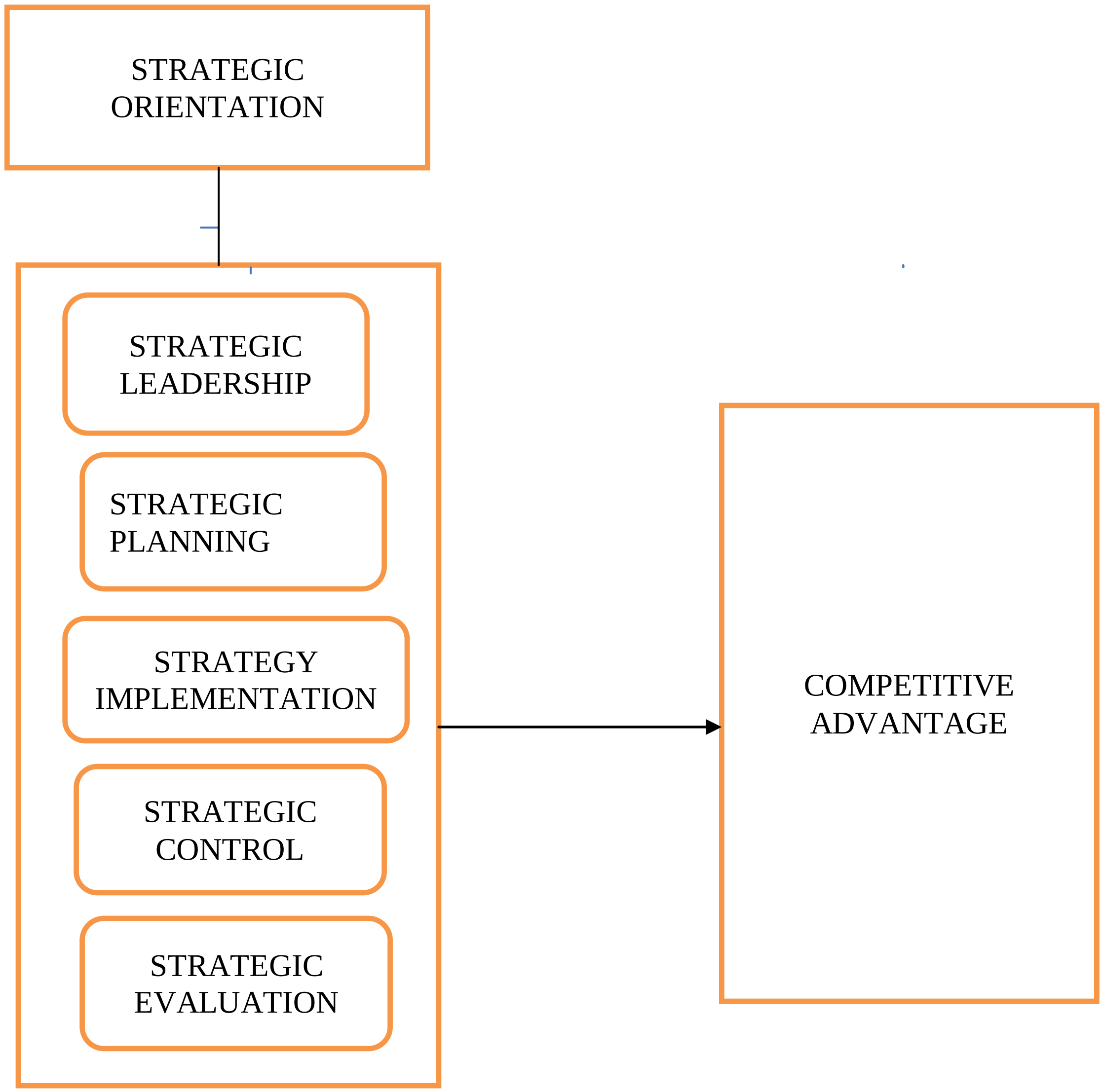
The resource-based theory measures the interaction between the firm's resources and performance in terms of achieving a competitive advantage. Specifically, the effect of firm specific-resources on the performance of the firm is the foundation of the resource-based view (Barney, 1991). In the resource-based theory framework a firm holds a strategic advantage if such firm can improve its efficiency and effectiveness in ways that other firms in the industry cannot. Based on this theory, there is a linkage between the variables of this research, strategic orientation, the long-term way that an organization intends to thrive(independent) and organizational performance (dependent). From this perspective, not having strategic orientation hinders the organization from being at alert to changes and emerging threats in the environment since the understanding of strategic orientation enhances performance. Organizational performance and growth according to this theory stem from a totality of management decisions that originate from the resources being at company disposal, thus highlighting the role of strategic orientation in the formulation and deployment of strategies aimed at achieving organizational objectives. Therefore, an enterprise performance is largely determined by the experience of management and information accessibility as well as by available resources of an enterprise that serve as a basis for further strategies and line of activity (Penrose, 1959).

On the basis of both resource based theoretic conceptions and strategic positioning, organizational performance and growth is affected rather by internal accumulation of knowledge than by external one on the market or in society. Under these approaches enterprise competitive strength is affected by the position of enterprise resources the model of resource-based view as the summation of all enterprise capabilities; both financial and non-financial in their classic interpretation including buildings and capital as financial resources and licenses and trademarks under non-financial resources, as well as enterprise abilities to maintain these resources, and knowledge about market, enterprise products and services (Penrose, 1959; Barney, 1991).

Using hierarchical regression analysis allowed the researcher not only to understand the explanatory power of a specific variable of interest in improving the prediction of the dependent variable(s), after controlling for the effects of other variables, but also permits the exploration of the unique contribution of each independent variable in explaining the dependent variable(s). This technique allows for a more precise and stark comparison of the magnitude of the importance of the focal resources. The justification for using hierarchical regression analysis is based on the interest in analyzing the magnitude of intangible resources in predicting firm success after accounting for the effects of tangible resources. For research of this type, hierarchical regression analysis is appropriate (Hair et al., 1995).

The RBV was chosen as the theoretical foundation and fundamental basis of the variables and their ensuing relationships because of the operating environment prevailing in the banking industry where survival depends on how well a bank can use the resources available to create competitive advantage and survive. As a result, this study focused especially on the internal attributes including resources, capabilities and systems of the organization towards attaining competitive advantage. Hence, it justifies the adoption of RBV as the main research tenet.

Figure 1 Conceptual Model



METHODOLOGY

Survey research design was employed for this study, and ten major money deposit banks were selected in Lagos state who control about 80% of the total asset base of the entire deposit money banks in the industry. The total population of the employees of the selected deposit money banks was 64,585 while the target population for this research was 25,297 employees of the selected deposit money banks currently operating in Lagos state, Nigeria. Stratified random and proportionate sampling techniques were used for the study and the table of sample size determination developed by Krejcie and Morgan was used to determine the sample size of 988. A well-structured questionnaire was adapted and validated. The Cronbach's alpha reliability coefficients for the constructs ranged between 0.741 and 0.865. The response rate was 81.47%. Data were analyzed using descriptive and inferential statistics.

Model Specification

The functional relationships between the dependent and independent variables for each of the hypotheses are expressed as follows:

Hypothesis:

CA = f (SL, SP, SI, SC, SE)

Model:

$CA = \alpha + \beta SL + \beta SP + \beta SI + \beta SC + \beta SE + \mu_i$

ANALYSIS AND RESULTS

Table 1 Descriptive analysis of responses on strategic leadership (SL)

Strategic Leadership	LEVEL OF AGREEMENT (%) (n = 805)							Average	
	VHD	HD	MHD	MLD	LD	VLD	MISSING	M	S.D
Strategic goal setting	35.2	40.2	22.4	2.0	0.1	0.1	0.0	5.08	.82
Employees guidance	22.7	43.1	27.2	5.8	0.5	0.2	0.4	4.80	.93
Resource allocation	19.4	43.9	29.8	5.8	0.9	0.1	0.1	4.74	.89
Vision sharing	22.5	37.8	30.6	7.5	1.0	0.2	0.5	4.71	1.00
Goal attainment	14.5	38.6	37.9	8.2	0.6	0.0	0.1	4.58	.87
Average								4.78	.90

Overall, the mean is 4.78 and the standard deviation is .90, which implies that the respondents indicated a high degree response and consensus on strategic leadership.

Table 2 Descriptive analysis of responses on strategic planning (SP)

Strategic Planning	LEVEL OF AGREEMENT (%) (n = 805)							Average	
	VHD	HD	MHD	MLD	LD	VLD	MISSING	M	S.D
Written strategy formulation process	13.4	39.4	39.9	6.6	0.6	0.0	0.1	4.58	.84
Regularity in formulation of strategies	10.3	42.7	34.9	10.4	1.5	0.0	0.1	4.49	.88
Scanning of operating environment before formulation of strategies	12.7	38.9	34.8	12.5	0.7	0.2	0.1	4.49	.92

Improves performance significantly	11.7	36.3	33.5	15.9	1.9	0.2	0.5	4.37	1.01	Table 2...
Top management involvement in strategy formulation	15.4	34.3	33.7	13.9	2.1	0.2	0.4	4.45	1.03	
Timely communication of formulated strategies	10.8	32.4	38.4	15.7	2.1	0.2	0.4	4.32	.99	
Average								4.45	.95	

Overall, the mean is 4.45 and the standard deviation is .95, which implies that the respondents indicated a moderately high degree response and consensus on strategic planning.

Table 3 Descriptive analysis of responses on strategy implementation (SI)

Strategy Implementation	**LEVEL OF AGREEMENT (%) (n = 805)**							**Average**	
	VHD	**HD**	**MHD**	**MLD**	**LD**	**VLD**	**MISSING**	**M**	**S.D**
Effectiveness in implementing strategies	12.5	32.4	43.6	10.6	0.5	0.1	0.2	4.45	.90
Effective in using strategic planning process	9.9	33.7	38.9	16.4	0.9	0.1	0.1	4.35	.92
Operations align with strategic plans	11.7	33.7	34.7	16.5	2.7	0.1	0.6	4.32	1.04
Translation of strategies to daily work plans	11.1	31.1	35.2	19.9	1.6	0.6	0.6	4.26	1.05
Significantly improves operations	11.4	28.2	38.8	17.9	3.6	0.1	0.0	4.26	1.00
Average								4.33	.98

Overall, the mean is 4.33 and the standard deviation is .98, which implies that the respondents indicated a moderately high degree response and consensus on strategy implementation.

Table 4 Descriptive analysis of responses on strategy evaluation (SE)

Strategy Evaluation	**LEVEL OF AGREEMENT (%) (n = 805)**							Average	
	VHD	**HD**	**MHD**	**MLD**	**LD**	**VLD**	**MISSING**	**M**	**S.D**
Strategy evaluation is encouraged	20.4	35.0	36.5	7.1	0.6	0.4	0.0	4.66	.92
Periodic evaluation of strategic plans	13.5	37.6	33.5	13.3	2.0	0.0	0.0	4.47	.95
Evaluation is done by top management only	11.6	29.9	34.0	19.3	3.4	1.6	0.2	4.21	1.11
Regularity in communicating outcomes to employees	9.8	30.2	38.3	17.4	3.2	0.5	0.6	4.22	1.05
Evaluation forms basis for subsequent operations	8.8	30.6	38.4	18.5	3.7	0.0	0.0	4.22	.97
Average								4.36	1.00

Overall, the mean is 4.36 and the standard deviation is 1.00, which implies that the respondents indicated a moderately high degree response and no consensus on strategy evaluation.

Table 5 Descriptive analysis of responses on strategic control (SC)

Strategic Control	**LEVEL OF AGREEMENT (%) (n = 805)**							Average	
	VHD	**HD**	**MHD**	**MLD**	**LD**	**VLD**	**MISSING**	**M**	**S.D**
Strategy monitoring	12.5	28.7	42.9	15.0	0.6	0.2	0.0	4.37	.92
Effective corrective measures	8.9	31.9	36.5	20.1	1.9	0.5	0.1	4.24	.98
Timely detection of deviation	9.2	34.4	32.8	20.2	2.6	0.5	0.2	4.25	1.02
Satisfactory strategy control process	7.7	33.4	36.0	18.8	3.0	0.6	0.5	4.20	1.02
Regularity of review	10.6	23.5	40.9	20.4	4.0	0.4	0.4	4.14	1.05
Average								4.24	.99

Overall, the mean is 4.24 and standard deviation is .99, which implies that the respondents indicated a moderately high degree response and consensus on strategic control.

The objective of this study sought to examine the effect of strategic orientation on competitive advantage of selected deposit money banks in Lagos state, Nigeria. In order to achieve this, the respondents were asked to indicate how high or low they understood the statement in relation to strategic leadership, strategic planning, strategy implementation, strategy evaluation, strategic control and competitive advantage of selected deposit money banks. The findings indicated the frequencies, percentages, mean and standard deviations in Table 6.

Table 6 Descriptive analysis of responses on competitive advantage

Competitive Advantage	**LEVEL OF AGREEMENT (%) (n = 805)**							**Average**	
	VHD	**HD**	**MHD**	**MLD**	**LD**	**VLD**	**MISSING**	**M**	**S.D**
Product offering confer advantage	19.5	29.7	39.8	9.6	1.2	0.1	0.1	4.56	.97
Product quality	13.5	29.9	38.4	16.3	1.4	0.2	0.2	4.36	1.00
Service delivery	11.9	30.8	34.8	18.3	3.5	0.4	0.4	4.27	1.06
Mechanism for sustaining market opportunities	9.1	28.3	38.8	20.1	3.5	0.0	0.2	4.18	1.00
Improved significantly by company strategies	9.7	28.1	37.9	20.5	3.6	0.1	0.1	4.19	1.01
Average								4.31	1.01

Table 6 revealed the responses in percentages of the respondents to the questions on competitive advantage of the selected deposit money banks. These findings suggest that there could be a relationship between strategic orientation and competitive advantage of selected deposit money banks in Lagos state, Nigeria. Therefore, based on the findings, the researcher is able to achieve the objective and answer the research question.

To test the hypothesis, linear multiple regression analysis was used. The strategic leadership (SL), strategic planning (SP), strategy implementation (SI), strategic control (SC), and strategy evaluation (SE)formed the independent variables. The competitive advantage (CA) formed the dependent variable. The regression model is summarized in Tables 7a, 7b and 7c.

Table 7a Model Summary of Effect of Strategic Orientation on Competitive Advantage of selected Deposit Money Banks in Lagos state, Nigeria

(a) Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.722[a]	.521	.518	2.83532

a. Predictors: (Constant), Strategic Control, Strategic Leadership, Strategy Evaluation, Strategy Implementation, Strategic Planning

Table 7a illustrates results of multiple regression analysis for the effect of Strategic orientation competitive advantage of selected deposit money banks in Lagos state, Nigeria. Table 7a presents a model fit which establish how fit the model equation fits the data. The adjusted R^2 was used to establish the predictive power of the study model. From the results, strategic orientation variables (strategic control, strategic leadership, strategy evaluation, strategy implementation, strategic planning) have positive relationship with competitive advantage of selected deposit money banks as shown by the coefficient of correlation of 0.722. The adjusted coefficient of determination (Adj. R^2) of 0.518 indicated that 51.8% of the variation in the competitive advantage of selected deposit money banks in Lagos state are explained by the variations in the strategic orientation leaving 48.2% percent unexplained. This implies that strategic orientation influences 51.8% of competitive advantage.

Table 7b ANOVA for Strategic Orientation and Competitive Advantage

(b) ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	6990.759	5	1398.152	173.921	.000[b]
	Residual	6415.132	798	8.039		
	Total	13405.891	803			

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), Strategic Control, Strategic Leadership, Strategy Evaluation, Strategy Implementation, Strategic Planning

Table 7b shows the results of ANOVA (overall model significance) of regression test which revealed that the joint independents variables; strategic orientation have a significant effect on competitive advantage of selected deposit money banks in Lagos state, Nigeria. This can be explained by the F value (173.921) and low p-value (0.000) which is statistically significant at 95% confidence interval. This implied that strategic orientation adopted by deposit money banks in Lagos state was statistically significant. Hence at 95% confidence level, strategic orientation influenced competitive advantage.

Table 7c Regression coefficients of effect Strategic orientation on competitive advantage

(c)Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	T	Sig.	Tolerance	VIF
1	(Constant)	2.279	.753		3.028	.003		
	Strategic Leadership	.085	.038	.073	2.259	.024	.574	1.744
	Strategic Planning	.023	.036	.024	.633	.527	.421	2.378
	Strategy Implementation	.267	.039	.251	6.914	.000	.454	2.203
	Strategy Evaluation	.200	.031	.215	6.490	.000	.548	1.824
	Strategic Control	.307	.040	.295	7.692	.000	.409	2.445

a. Dependent Variable: Competitive Advantage

Table 7c show the results of regression coefficients which reveal that a positive effect was reported for all the variables of strategic orientation except strategic planning ($\beta = 0.024$, $p>0.05$). Further, the results indicated that at 95% confidence level, strategic leadership ($\beta = 0.073$, $p<0.05$), strategy implementation ($\beta = 0.251$, $p<0.05$), strategy evaluation ($\beta = 0.215$, $p<0.05$), and strategic control ($\beta = 0.295$, $p<0.05$) were statistically significant as the p-values were less than 0.05 and the t values greater than 1.96. From the results, the equation for the regression model is expressed as:

CA = 2.279 + 0.073SL + 0.251SI + 0.215SE + 0.295SC ……………………………… Eq. (ii)

Where: CA = Competitive Advantage; SC = Strategic Control; SL = Strategic Leadership; SE = Strategy Evaluation; SI = Strategy Implementation

According to the regression equation established, taking all factors constant at zero, competitive advantage of selected deposit money banks in Lagos State was 2.279. The result also means that taking all other independent variables at zero, a unit change in strategic leadership will lead to a 0.073 increase in competitive advantage of selected deposit money banks in Lagos State. Further, the result indicates that a unit change in strategy implementation will lead to a 0.251 increase in competitive advantage given all other factors are held constant. The result also revealed a unit change in strategy evaluation will lead to a 0.215 increase in competitive advantage given all other factors are held constant. Similarly, the result found that a unit change in strategic control will lead to a 0.295 increase in competitive advantage of selected deposit money banks in Lagos Stategiven all other factors are held constant. Overall, strategic control had a very high effect on the competitive advantage of selected deposit money banks in Lagos state, Nigeria with a coefficient of 0.295 and t value of 7.692, followed by strategy implementation ($\beta = 0.251$, $t(805) = 6.914$, $p<0.05$). Based on the findings and without strategic planning, it can be stated that strategic orientation significantly affects competitive advantage of selected deposit money banks in Lagos state, Nigeria. Therefore, the null hypothesis (H_0) which states that strategic orientation does not significantly affect competitive advantage of selected deposit money banks in Lagos state, Nigeria was rejected. (Adj. R^2 = 0.518; 173.921).

DISCUSSION

The results of multiple regression analysis for the effect of Strategic orientation on competitive advantage of selected deposit money banks in Lagos state, Nigeria revealed that the joint independents sub variables of strategic orientation have a significant effect on competitive advantage of the selected deposit money banks. This confirmed a commonly stated assumption that competitive advantage is gained through the introduction of novelty or newness as consumers are more willing to pay premium rents for unique products and services (Freel 2005; Freel & Robson 2004). These results have been supported by findings of various researchers.

In Nigeria, the findings of Monday, Akinola, Ologbenla and Aladeraji (2015) in a study of selected stock exchange quoted manufacturing companies in Lagos state aligns with the outcome of this study that strategic management has a positive relationship with the level of competition of the firms. The study by Aremu, Aremu and Olodo (2015) of small and medium scale enterprises (SMEs) concluded that strategic management must be considered by SMEs in order to achieve sustainable development and competitive advantage. This was corroborated by Olanipekun, Abioro, Akanni, Arulogun, and Rabiu (2015) in their study of Nigeria bottling company whose findings revealed that the adoption and implementation of strategic management practices makes the organization to be proactive to changes in its operating environment, initiate positive changes that consequently lead to competitive advantage and sustainable performance. Sani and Hassaballah (2014) in their study of Nigeria's manufacturing sector, also reported a positive and significant relationship between strategy implementation and control and sustainable competitive advantage. Other researchers like Dirisu, Iyiola and Ibidunni (2013) and Munshi (2013) also reported that both strategic management and strategic thinking can be used to achieve competitive advantage.

Also, a study in the United Arab Emirate by Agha, Alrubaiee and Jamhour (2012) of core competence and competitive advantage and organizational performance reported that core competence has a strong and positive impact on competitive advantage and organizational performance, and that competitive advantage has a significant impact on organizational performance. This result agreed with the findings of Bani-Hani and Al-Hawary (2009) who argued that core competencies are key components in enhancing competitive advantage, and that there is a significant positive relationship between core competencies and competitive advantage. This was also confirmed in Pakistan by Majeed (2011) that a positive relationship exists between a firm's competitive advantage and its performance.

From the resource based view (RBV) perspective, Rose, Abdullah and Ismad (2010) reported that an organization's edge in strategic orientation enhances firm's performance as it improves their differential advantage position. Similarly, Raduan, Jegak, Haslinda, and Alimin (2009) concluded that there exists a positive relationship between unique edge and organizational success. That competitive edge is able to significantly predict the variance in the performance of the organization, and also revealed that organizational competitive advantage from the RBV perspective enhances performance through the application and manipulation of identified internal organizational resources, both tangible and intangible, capabilities and systems.

Finally, the results of this study also align with ZiaudDin, Shabbir, Asif, Bilal and Raza (2017) perspective on strategic leadership and competitive advantage, who in their study in Pakistan, reported that strategic leadership has significant impact on performance, and that one unit change in strategic leadership will bring 1.234 units change in task performance. This confirmed and aligned with the findings of Nthini (2013) that strategic leadership practices have a strong positive relationship with customer satisfaction and return on investment, Khayota (2014) that strategic leadership influenced strategy implementation through managerial involvement in key decision-making, and Ussahawanitchakit (2012) that strategic leadership has significant positive relationship with both organizational learning and competitive advantage, that indeed strategic leadership influences organizational performance and management.

There is therefore an agreement among these studies and the result of this current research that strategic orientation has a significant effect on organizational performance measured with competitive advantage, as the various studies reviewed seem to have supported the positive association that exists between competitive advantage and organizational performance.

CONCLUSION

This empirical study carried out examined the interaction between strategic orientation and competitive advantage of selected deposit money banks in Lagos state, Nigeria. The study concluded that strategic orientation significantly affects competitive advantage of the selected deposit money banks in Lagos state, Nigeria. The study's findings clearly indicated that strategic orientation significantly affects competitive advantage of the selected deposit banks.

The outcome of the study agrees with and validates resource based view submission that firm resources create and sustain competitive advantage thereby enhancing organizational performance, that strategic resources of the firm have great potentials to confer competitive advantage on the firm. The study reveals that strategic orientation equips the banks to exploit available resources in order to achieve, create and sustain competitive advantage. The study revealed further that possession of strategic orientation enables banks interact with the operating environment, since the banks do not operate in isolation of developments in the environment and therefore positioned to exploit opportunities that could enhance organizational performance.

RECOMMENDATIONS

Based on the finding of the study, the following recommendation is proposed for implementation in order to ensure the sustainability of the banking industry.

1. The Nigerian banking industry requires support and strong regulatory backing from the government to compete favorably in the ever-competitive global financial arena. It is therefore recommended that both the government and the various regulatory agencies put regulations in place that will engender growth and sustainability in the industry and also enhance the banks' competitiveness in the global stage. This has become imperative due to the fact that weak strategic controls in the industry lead to the culture of fraud and various malpractices that continuously affect and encourages the rising course of non-performing loans in the industry.

SCOPE FOR FURTHER STUDIES

1. The present study was carried out only in Lagos state, Nigeria. Further studies should increase the scope by covering additional states in Nigeria.
2. Also, further studies need to be carried out in non-service industries like the manufacturing sector, using the same variables to confirm the outcome of this study.
3. Finally, further studies to consider using financial measures to investigate the interaction between strategic orientation and organizational performance in the banking industry.

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