Lafia Journal of Economics and Management Sciences: Vol. 6, No. 1; Issue 1, 2021
ISSN: 2550-732X
Published by Department of Economics, Federal University of Lafia, Nigeria

Competitive Strategy and Public Sector Performance

Saidi Adedeji Adelekan[1] & Alexander Enebi Attah[2]
[1]Department of Management Studies, Dominican University, Ibadan, Nigeria
[2]Department of Public Administration, Mountain Top University. Ogun State
Corresponding Email: elevateddeji2@gmail.com

Abstract
This study explores the influence of competitive strategies on their performance by selected information and communication technology firms in Nigeria. A descriptive and case study design was employed. Using the purposive sampling technique, a questionnaire was administered to 141 respondents in Lagos state, Nigeria. The results revealed that competitive strategies have a significant effect on firm performance. Product differentiation strategy, strategic alliance strategy, cost leadership, and focus strategy are the dimensions of competitive strategy that significantly affect firms' performance. The study recommends that firms should aggressively adopt the focus strategy in order to achieve better performance by having the lowest cost in the industry.
Keywords: Competitive, Strategy, Public Sector, Performance, Leadership

1. Introduction

The current business environment is characterized by intense competition, which forced businesses to pay attention to cost, delivery and quality (Nguyen, Tran, Nguyen & Truong, 2021; Spillan, Parnell, Panibratov & Yukhanaev, 2021; Castillo-Apraiz & Matey, 2020; Baines & Longfield-Smith, 2003). In the same vein, Pearce and Robinson (2007) posit that today's business environment has increasingly become more competitive, thus making organizations become dynamic and aggressive in identifying and adopting competitive strategies that enable profitable existence. According to Johnson and Scholes (2002), competitive strategies entail the basis on which a business unit might achieve a competitive advantage in its market.

The quest for a desirable competitive place in a market, the central domain in which competition exists, is known as a competitive strategy (Spillan, Parnell, Panibratov & Yukhanaev, 2021; Porter, 1985). The goal of competitive strategy is to create a sustainable and long-term place in the face of the influences that drive a competitive environment. This entails recognizing competitive forces in an ever-changing world, as well as designing strategies that align operational effectiveness with those changes (Nguyen, Tran, Nguyen & Truong, 2021; Spillan, Parnell, Panibratov & Yukhanaev, 2021; Lestari, Leon, Widyastuti, Brabo & Putra, 2020; Arasa & Githinji, 2014). Strategy is the sum of actions an organization intends to take to achieve long-term goals. The business needs to monitor their environment to create strategies that will set them apart from their competitors or will cause them to expand their capacity and capability.

Increased competition in the market has necessitated players to seek ways to gain and sustain a competitive advantage. This has necessitated organizations to develop strategies and make strategic choices for them to survive in the dynamic environment. According to Johnson and Scholes (2010), an effective strategic choice positions an organization to make sustainable strategic decisions. These choices may be about choosing when, where and how to compete and win against the competition in the industry. In order to achieve the desired objectives, organizations should not duplicate strategies without considering strategic fit. This expresses the degree to which an organization is matching its resources and capabilities with the opportunities in the external environment. A unique combination of resources and capabilities can eventually be developed into a competitive advantage from which the company will profit from. With a clear choice of strategy and strategic fit consideration, there is a need to set target levels of the overall performance. Grant (2012) observed that the potential for differentiation strategy that exists on the demand side influences the action to be taken by the supply side.

There are numerous research studies conducted to test the validity of Porter's generic strategies. Researchers Gunasekaran and Mavondo (1999) conducted an empirical analysis on the relationship between generic strategies and competitive advantage. Miller and Friesen (1996) derived an empirical taxonomy of business-level strategies to determine Porter's (1980) very popular generic strategies in durable consumer industries. Other studies related to competitive strategies have been done in Nigeria. These studies include but not limited to: Abiodun (2014) focused on the competitive strategies and their impact on small and medium enterprises (SMEs) in Nigeria, while Alkasim and Halim (2017) looked at the mediating effect of competitive strategy on market development and product development on SMEs performance. These studies aforementioned indicated that the implementation of various competitive strategies such as cost-leadership and differentiation improve performance. In the Nigerian context, various studies have examined the extent to which competitive strategies have affected firm performance, customers satisfaction, market shares, firm survival and value creation in the private sector and small and medium enterprises (Adelekan Majekodunmi, Worimegbe, 2021; Alkasim & Halim, 2017; Abiodun, 2014; Akingbade, 2014).

However, the extent to which these competitive strategies affect public sector performance is unclear in the literature. To the best of the researcher's knowledge, there is a dearth of literature on the effect of competitive strategy on the public sector in Nigeria. According to Oladimeji and Afolayan (2018), the public sector is a critical and powerful catalyst in driving economic expansion and business opportunities. This study, therefore, seeks to establish the effect of competitive strategies on public sector performance using the Nigerian National Petroleum Corporation (NNPC) as the choice of study and to determine which of the dimensions of competitive strategies significantly affects public sector performance. The choice of NNPC is influenced by the fact that it is a business agency of the government. It is expected that the findings from this study will provide direction for the public sector in the area of strategic management while increasing their capacity to offer and deliver services efficiently. The objectives of the study are to determine the effect of the dimensions of competitive strategies on public sector performance in Nigeria.

2. Literature Review

2.1 Conceptual Review

2.1.1 Competitive Strategy and Measurements

Competitive strategy refers to firm's ingredient of competition in an industry (Beard & Dess, 1981). Competitive strategy lays emphasis on how a firm competes with its' products or market segment in an industry. The strategy employed by a firm enables it to create unique product and services in the process to sustaining competitive advantage (Slater & Olson, 2002). Therefore, competitive strategy can enhance firm's competitiveness and performance. The logic in competitive strategy is to integrate, reconfigure and build firms competency, in order to enhance their product market competitive advantage and enhance performance. previous studies have examined the mediating role of competitive strategy (Castillo-Apraiz & Matey, 2020; Lestari, Leon, Widyastuti, Brabo & Putra, 2020; Gmelin & Seuring, 2014; Lechner & Gudmundsson, 2014).

Porter (1980) explains that strategy target either cost leadership, differentiation or focus. Porter's study claims that a company must only choose one of the three or risk that the business would waste precious resources. However, other researchers feel a combination of these strategies may offer a company the best chance to achieve a competitive advantage (White, 1996; Hill, 2001; Miller & Friesen, 1996; Karnani, 2004). Whichever strategy a firm chooses to adopt must be aligned with its goals and objectives in order to gain a competitive advantage (Parker & Helms, 1992; Ross, 1999; Rumba, 2008)

In cost leadership strategy, a firm sets out to become the low-cost producer in the industry in order to gain a competitive advantage (Davidson, 2008). The source of cost advantage depends on the industry structure, which includes the pursuit of economies of scale, advanced technology, and preferential access to raw materials. In order to achieve a low-cost advantage, an organization must have a low-cost leadership strategy, low-cost manufacturing, and core competencies (Malburg, 2007). Firms that succeed in cost leadership often have internal strength, including access to the capital required to make a significant investment in production assets, which represent a barrier to entry. Skills in designing product for efficient manufacturing, high level of expertise in manufacturing process engineering and efficient distribution channels. If a firm can achieve and sustain overall cost leadership, then it will be an above-average performer in its industry, provided it can command prices at near the industry average (Hyatt, 2008)

Differentiation strategy calls for the development of a product or service that offers unique attributes that are valued by customers and that customers perceived to be better than or different from the products of the competition. The value added by the uniqueness of the product may allow the firm to charge a premium price for it (Kiechel, 2010). Firms that succeed in differentiation strategy often have internal strength: access to leading scientific research, highly skilled and creative product development team, a strong sales team and corporate reputation for quality and innovation (Kiechel, 2010).

Focus strategy consists of a single market segment and aims to gain either a cost advantage or distinction within that market segment. Customers are also loyal to the organization that uses a focus approach, and this loyalty dissuades other companies from competing directly. Firms following a concentration strategy have lower quantities and therefore less negotiating power with their suppliers due to their limited business focus. Due to the lack of near replacement products, companies following a differentiation-focused strategy may pass higher costs on to consumers. Firms that excel in implementing a focus strategy are able to adapt their product development strength from around the world to meet their specific needs relatively narrow market segment that they know very well (Grant 2012).

Slowly but surely, strategic alliances are becoming more and more common. Firms form strategic alliances to achieve competitive advantages by pooling their assets and capabilities through a cooperative policy. In today's dynamic business climate, strategic alliances are a critical source of sharing resources, knowledge, and value proposition. In strategic alliances, partnership management and value development are critical for achieving competitive advantage (Ireland, Hitt, & Vaidyanath, 2002). Firms exchange and share capital and capabilities in order to co-develop or sell products and services (Kale, Singh & Perlmutter, 2000).

2.1.2 Public Sector Performance

Researchers have on many occasions, disagreed about how to best define and operationalize performance (Upadhaya; Munir & Blount, 2014). Proponents of financial measures argue that they are necessary because of the primary objectives of companies. PSPM (Public Sector Performance Measurement) has received many coverages in the literature in recent years. On the other hand, almost all scholarly articles concentrate on the public sector in European or North American countries and Canada and Australia (Helden, Van Jonsen & Vakkuri, 2006). As a result, there is very little information about PSPM in emerging economies. It is unclear, for instance, the aspects of performance metrics are chosen in emerging economies, to what degree, in what way, and for what purposes performance data is used, and what changes are happening in this field. There is a considerable trend in PSPM research, especially its connections to effective governance and organizational success. The growth, incorporation, application, and use of performance indicators in the public sector are some of the central issues that have been investigated (Cavalluzzo & Ittner, 2004). To prevent misunderstandings about the correct definition of PSPM, This study investigates PSPM using a supply/demand approach (Dooren, 2005). More specifically, it distinguishes between the availability of key performance indicators and the demand for this data.

A public sector organization's supply of performance information is characterized as the output of performance information by that organization. Selecting the performance areas to be assessed, designing key metrics, gathering and analyzing data, and documenting relevant data are all part of the process. The organization's various stakeholders' real or desired assessment results are known as demand for performance information. For example, any of these stakeholders (for example, administrators, lawmakers, and their department heads) might need to use this performance data for internal management purposes, such as decision-making and monitoring. Others (for example, clients, taxpayers, residents, political appointees representatives, and administrators at higher levels within the public service structure) will want to determine whether assigned tasks are being carried out as intended to keep organizations or administrators responsive. The degree with which, how, and why stakeholders use performance measures are all critical elements of their use. The majority of public sector organizations have various and often overlapping goals. As a result, stakeholders that need output data for internal management can find it difficult to determine how to use the data to achieve 'good' corporate commitment (demand side). They must reconcile the various goals by creating trade-offs to determine which measures should be taken. Hence the public sector performance is measured by effectiveness and efficient delivery of services.

2.2 Empirical Evidence

Zapletalová (2021) examined the possible connection between competitive strategy and international activities in the internationalization of the studied enterprises. The study is based on primary data collected from a recent survey of enterprises from the Czech Republic. The relationships of interest are analyzed using relevant regression techniques. The study revealed that the internationalization of entrepreneurial activities is represented by the geographic expansion of entrepreneurial activities across national borders and that the entrance of an enterprise on the market itself allows for a significant opportunity, so long as the said enterprise possesses the proper readiness, which grants it the chance to develop entrepreneurial activities (business) in the foreign markets. Entrepreneurial activities in international markets bring significant changes in competitive strategy.

Shobande and Akinlade (2020) developed a game-theoretic model that analyses competition dynamics among the leading domestic aviation firms in the Nigerian aviation industry. It probes the prisoner dilemma's abilities to describe the firms' subjective behaviour, which provide a yardstick for assessing the optimal competitive strategies available to the firm to survive the business environment. The solution of the game provides different optimal competitive strategies for the firms. While findings show that Aero Contractors placed more weight on flight pricing to survive, Arik Air needed to retain a non-pricing competitive strategy to remain the leading domestic aviation firm in Nigeria. Based on findings, the study concludes that if both firms stick to the optimal strategy, they would both share the market.

Alintah-Abel, Iheama and Ugochukwu (2020) investigated the effect of company strategies on organizational performance in the Nigerian construction industry. The conceptual framework was provided to give a guideline on how both independent and dependent variables will interact to get the impact of companies' strategies on performance. Primary data with the aid of a structured questionnaire was used to elicit information from respondents. The data collected were analyzed using descriptive statistics such as percentages and mean and inferential statistics of regression analysis to test the hypotheses. The findings revealed that construction companies adopt several company strategies at various levels; however, the strategies are generally applied moderately. The study deduced that both growth strategies and generic strategies have a significant positive impact on performance. The study recommended that policymakers and the management of the construction firms adopt a mix of competitive strategies since both have positive impacts. The study recommends that there is a need for companies to intensify their applications since it will spur performance in the organization.

Atlang and Nafula (2020) assessed the influence of competitive strategies on firm performance in the textile industry in Kenya. The study's specific objectives were to examine the influence of cost leadership strategies, focus strategies, and differentiation strategies on firm performance in the textile industry in Kenya. Data were collected by administering a semi-structured questionnaire. A descriptive research design was adopted because the study sought to describe one variable in a population at the selected EPZ companies. The study used human resource, sales and operations departments. Quantitative data collected was analyzed using descriptive statistics using SPSS and presented through percentages, means, standard deviations, frequencies, Anova and the information displayed by use of bar charts, graphs, pie charts, inferential statistics, and regression analysis. The regression of coefficients results indicated that cost leadership strategy and firm performance were positively and significantly related. The results further indicated that focus strategy and firm performance were positively and significantly related. Lastly, results showed that differentiation strategy and firm performance were positive and significant. The study concluded that competitive strategies played a significant role in firm performance in Kenya's textile industry. This is because there existed a positive and significant relationship between cost leadership strategy, focus strategy and differentiation strategy on firm performance in textile EPZ companies in Nairobi County. The study recommended that the textile organizations focus on adopting competitive strategies to improve organizational performance by increasing customer base, asset quality, quality of service, and increased market share.

Ndung'u, Ogutu, Yabs and Muranga (2020) examined the role of corporate image on the relationship between competitive strategies and the performance of large manufacturing firms in Kenya. It was guided by positivist philosophy and a cross-sectional descriptive survey. The target population was large manufacturing firms in Kenya, where a structured questionnaire was utilized to collect data. Regression analysis was used to test the hypotheses. The results indicated that firms perceive corporate image positively, especially large manufacturing firms in Kenya, implying that competitive strategies and corporate image jointly explain variation in performance significantly. The finding of this study implies that managers, particularly regarding decision making and scope of operation, need to understand the implication of their decisions in terms of cost management, product quality and development, and developing a solid company image. They also need to check their processes, customer satisfaction and finally, employee satisfaction. A happy employee will always serve the customer well and vice versa.

Islami, Mustafa and Latkovikj (2020) investigated the effects of Porter's generic strategies (low-cost strategy, differentiation strategy, and focus strategy) on firm performance. The study questionnaires have been prepared, the responses have been obtained, and the econometric model is constructed to measure these relationships. Findings stemmed from data that were taken from 113 firms that operate in the Republic of Kosovo. T-test, Pearson's correlation analysis, and multivariate regression analysis were used to provide testing of hypotheses. Econometric results suggest that pursuing a differentiation strategy provides higher firm performance than two other Porter's generic strategies (low-cost strategy or focus strategy) that positively impact.

Direction (2020) reviewed the latest management developments across the globe and pinpoint practical implications from cutting-edge research and case studies. The briefing was prepared by an independent writer who adds their impartial comments and places the articles in context. The study reveals that performance appraisals are a key tool for organizations to implement a competitive strategy and improve the overall organizational understanding of the collective strategy goals. The briefing saves busy executives, strategists and researchers hours of reading time by selecting only the very best, most pertinent information and presenting it in a condensed and easy-to-digest format.

The measurement of success and efficiency has recently piqued the interest of practitioners and academics. Much advancement has been achieved in developing performance management systems (PMSs) that provide a portfolio of steps to balance the more conventional, single-focus approach to profitability. The connection between competitive strategies and market performance is a contentious, complicated, and unexplained question," according to the authors (Pearce & Robison 2007). Since its inception, competitive planning has been linked to the field of strategic management. Porter (2000) claims that strategists must evaluate the factors influencing innovation in their industry.

Porter (2000) posits that strategists must evaluate the factors underlying demand in their organization and develop their business strategy, after which they can create a course of action which may include, initially, shaping the organization so that its resources provide the strongest argument against the growth engine, influencing the power balance through political alliances, thereby influencing the competitive force's balance

Based on the above discussions and in line with the objectives of the study, the following hypotheses were formulated.

$H0_1$: Product differentiation strategy does not have a significant effect on firms' performance

$H0_2$: Strategic alliance does not have a significant effect on firms' performance

$H0_3$: Cost strategy does not have a significant effect on firms' performance

$H0_4$: Focus strategy does not have a significant effect on firms' performance

2.3 Theoretical Framework

The Resource-Based View (RBV) of the firm emphasizes the corporation's internal conditions as a competitive edge and the resources that enterprises have created to remain competitive in the environment. Implementing specific thought processes was on the firm's internal factors during the early strategy development phase (Hoskisson et al. 1999) . Furrer et al. (2008), for example, made great advances in the Resource-Based Strategic approach. According to Furrer et al. (2008), the focus of the investigation shifted from the firm's structure, e.g., Structure-Conduct-Performance (SCP), to the corporation's efficiency. These resources may be both tangible and intangible (Ray et al. 2004).

Wernerfelt (1984) also discusses how resources may be semi-permanently tied to the firm. According to Barney (1991), 'all resources, capabilities, organizational structures, firm attributes, knowledge, awareness, and so on, available to a firm that helps the organization to accept the idea of and formulate solutions that improve operational efficiency. Corporate strategy assets are defined as the collection of challenging to compete and replicate limited, comparable, and sophisticated capabilities and resources that provide the firm with a competitive edge. Powell (2001) proposed that businesses strategy can be seen as a tool for manipulating such resources in order to gain a competitive opportunity. Competitive advantages are unique, scarce, and attractive discounts resources that competing companies cannot replicate, complement, or procreate. Organizational capabilities refer to all of the factors that contribute to a company's success in the marketplace. Finally, corporations that can utilize the necessary to complete a value-creating strategy that is not being put in place concurrently by any existing or future competitor can gain a competitive advantage.

Hence, this study is anchored on the resource-based view. It is expected in the final outcome of this study that if an organization leverage its competitive strategies (capabilities), it will perform better.

Figure 1: A conceptual model showing the relationship between competitive strategies and firms' performance
Source: Authors' Design (2021)

3. Methodology

The study employs both descriptive and census design. The descriptive survey research design was chosen mainly because it comprises a cross-sectional design in relation to which data are collected predominantly by questionnaire. The Nigerian National Petroleum Corporation (NNPC) was chosen as the theatre of study. The choice of NNPC was influenced by the fact that its business operations are managed through Strategic Business and Corporate Services Units in diverse locations across Nigeria (Nwojike, 2008). According to the News Agency of Nigeria (NAN, 2020), the corporation has a total number of 6621 staff members. 180 and staff members were purposively selected. A simple random sampling technique was employed in the administration of questionnaires. The questionnaire was designed in a seven-point Likertcale ranging from 1 (least agreed) to 7 (most agreed). The test-retest reliability method was employed in the study, and the reliability coefficients of 0.771, 0.824, 0.818, and 0.742 were obtained for product differentiation, strategic alliance, cost strategy, and firm performance. The questionnaire was distributed in Lagos State, Nigeria. One hundred and twenty-one questionnaires (121) were retrieved and considered useable for analysis. The partial least square structural equation model was applied in the study in the analysis of data.

3.1 Model Specification

The model is adopted from the study of Arasa and Githinji (2014).

$$PSP = f(PRODIFF,\ STRALL,\ STRALL,\ COSTRA,\ FOCSTRA) \ldots\ldots\ldots\ldots 1$$

$$PSP = \beta0 + \beta1PRODIFF + \beta1STRALL + \beta2STRALL + \beta3COSTRA + \beta4FOCSTRA + \mu \ldots\ldots\ldots\ldots 2$$

Where:
PSP= Public Sector Performance
PRODIFF= Product Differentiation
STRALL: Strategic Alliance
COSTRA= Cost Strategy
FOCSTRA= focus Strategy
β0= constant term
β1, β2, β3, β4= Coefficients
μ= Error term

A Priori Expectation.

Hinged on Arasa and Githinji (2014) study, it is expected that all the dimensions of competitive strategies are expected to exhibit a positive relationship with firms' performance.

4. Results and Discussion

Table 1: Demographics

Demographics	Frequency (n)	%
Gender (121)		
Male	52	42.9
Female	69	57.1
Marital Status	(121)	
Singles	36	29.8
Married	67	55.4
Widowed	10	8.3
Divorced	8	6.6
Education	(121)	
Minimum Level of Education	15	12.4
Graduate	39	32.2
Post Graduate	67	55.4

Source: Field Study (2021)

Table 1 shows that most of the respondents are female (n= 69, 57.1%). The majority of participants (n=67, 55.4%) were married. The analysis also indicates that most have a post-graduate qualification (n= 67, 55.4%). The implication of this in the analysis of competitive strategies and public sector performance is that education plays a critical role in the implementation of competitive strategies.

4.1 Test of Hypotheses

The analysis results model shows the goodness of fit as indicated by the coefficient of determination R^2 with the value of .605. This implies that independent variables cost leadership strategies, market focus strategies, differentiation strategies and strategic alliance strategies accounts for 60.5% of the variations in public sector performance. 39.5% of variations are brought about by strategies not captured in the objectives.

Table 2: Model and ANOVA Summary

Public Sector Performance					
Variable	R	R^2	Adjusted R^2	F-Stat	P
Competitive strategies	0.7780	60.5	0.455	46.788	0.003
Durbin Waston		1.79			

Source: Authors Computation Using SPSS, 2021

The result reveals that competitive strategies are a significant driver of public sector performance. The F-statistics result shows reveal the value F=46.777**, p=0.000. This reveals that competitive strategy life is a significant and reliable model in explaining organizational performance.

Table 3: Coefficients

	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Constant	1.442	.512		2.922	0.02
Product differentiation	.322	.102	.316	3.098	0.004

Strategic Alliance	.461	.033	.455	13.788	0.003
Cost leadership Strategies	.559	.016	.554	34.625	0.000
Focus strategy	.494	.025	.511	20.44	0.000

*$p < 0.05$

Source: Authors Computation Using SPSS, 2021

The study's aim was to determine the impact of competitive strategies on the public sector's performance. The cumulative impact of strategic strategies on success was tested to test the hypothesis. On the basis of the dimensions, the impact of strategic strategies was assessed (cost leadership, differentiation and focus). These were compared to the company's results. The public sector's performance scores were derived as a composite score from performance contracting assessment reports for the period 2018-2020. According to the analysis established, taking all competitive strategies (product differentiation strategy, strategic alliance, cost leadership strategy and focus strategy) constant at zero, the firm's performance as a result of these independent factors will be 1.458. Findings also show that taking all independent variables at zero, a unit increase in product differentiation strategy will bring about .322 increase in firms' performance, a unit increase cost strategic alliance will lead to .461 increase in firm's performance, a unit increase cost leadership strategy will lead to a .559 increase in firms' performance and a unit increase in focus strategy will lead to a 0.494 increase in firm's performance.

The t-statistics value reveals that product differentiation strategy (ß=.316 t=3.098, p=0.004), strategic alliance strategy (ß=.455 t=13.788, p=0.003), cost leadership (ß=.554 t=34.625, p=0.000), and focus strategy (ß=.511 t=20.44, p=0.000), have significant effect on firms' performance. Therefore, the null hypotheses are rejected.

4.2 Path Analysis

The path analysis reveals the interaction among the observed variable of competitive strategies dimensions and public sector performance measured in efficiency and effectiveness. Figure 2 shows the error variance and all the freely estimated paths between the observed predictors and explained variables The structural equation model achieved a goodness fit ($\chi2 = 783.42$, df = 189, p = 0.00; GFI = 0.97, RMSEA = 0.05, IFI = 0.96, CFI = 0.98). The path analysis reveals that in the combined analysis, focus strategy is the most significant construct of competitive strategies (β=0.881) influencing public sector performance, while efficiency is the most significant construct (β=0.872) of firm competitiveness affected by corporate governance.

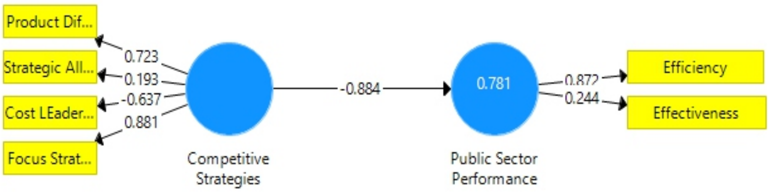

Figure 2: The combined interaction between competitive strategies and public sector performance

4.3 Discussion of Findings

The study's specific objectives were to assess the extent to which each of the dimensions of competitive strategy affects firm performance. The results reveal that each of these dimensions has a significant effect on firms' performance. The further reveals that cost leadership strategy (ß=.554 t=34.625, p=0.000) is the most significant dimension of competitive strategy affecting firms' performance. It can be inferred based on the combined analysis that in pursuing better firm performance, firms should aggressively employ the cost leadership strategy. The findings of this study are consistent with the study of Alkasim and Hilman (2018), who investigated the mediating effect of competitive strategy on the performance of micro, small and medium enterprises in Nigeria.

The result supports Arasa and Githinji (2014) findings, who established that product differentiation strategy has a significant effect on organizational performance. Overall, the findings indicate a clear and positive relationship between competitive strategies and performance. The findings revealed that cost leadership had a positive impact on results. The result suggests that the public sector has cost leadership and emphasis, allowing it to sell products and services at a lower cost than private organizations. Low costs enable businesses to sell relatively standardized goods with features that appeal to a wide range of consumers at the lowest possible price, resulting in a competitive advantage and increased market share (Porter, 1988). The results were adequate to support the impact of competitive strategies on organizational success, suggesting that competitive strategies had statistically significant effects.

Barney (1986) points out that managers constantly make decisions on whether to initiate new strategic strategies and how to react to or fight other competitors' moves to increase the value and overall efficiency of their organizations. On the other hand, managers will make more effective decisions if they completely comprehend the cost and differentiation climate.

5. Conclusion and Recommendations

The study focused on the analysis of competitive strategies and improved performance in the public sector in Nigeria. The study establishes the effect of each of the competitive strategies on firms' performance despite the dynamic business. The study also concluded that cost leadership strategy is the most significant dimension of competitive strategy.

The study recommends that firms should aggressively adopt cost leadership strategy in order to achieve better firms' performance by having the lowest cost in the industry. Regarding this, the firm should sell its products either at average industry prices to earn a profit higher than that of rivals or below the average industry prices to gain market share. Firms that excel at focusing their efforts are able to adapt a wide variety of product development capabilities to a relatively narrow consumer segment that they are intimately familiar with. The public sector should focus its efforts to adopt a wide variety of product development capabilities in its operations in order to increase its performance.

References

Abiodun, A. (2014). SME firms' performance in Nigeria: Competitive advantage and its impact. *International Journal of Research Studies in Management*, 3(2), 75–86.

Adelekan S. A., Majekodunmi S. A. & Worimegbe P. M. (2021). Firm Level Strategy and Value Creation in Small Businesses: The Nigerian Experience. *Gadjah Mada International Journal of Business*, 23(2), 193-214.

Akingbade, W. A. (2014) Competitive Strategies and Improved Performance of Selected Nigeria Telecommunication Companies. *Journal of Entrepreneurship, Management and Innovation,* 10(14), 56-79

Alkasim & Halim (2017). The mediating effect of competitive strategy on the relationship between market development, product development and performance of manufacturing based SMEs in Nigeria. *Journal of Business and Retail Management Research* 12 (2), 45-61.

Alintah-Abel, U. V., Iheama, N. B., & Ugochukwu, S. C. (2020). Effect of Company Strategies on Organisational Performance in Nigerian Construction Industry. *Journal of Engineering Research and Reports,* 25-33.

Arasa, M., & Gathinji, S. (2014). *Competitive Strategies and Firm's Performance in Telecommunication Industry in Kenya*. (Unpublished MBA project): Strathmore University

Atiang, D., & Nafula, F. (2020). Influence of Competitive Strategies on Firm

Performance of Export Processing Zone Industries in Kenya. *Journal of Strategic Management,* 4(2), 72-88.

Baines, A., & Langfield-Smith, K. 2003. Antecedents to management accounting change: a structural equation approach. *Accounting, Organizations and Society*, 28(7-8), 675-698.

Barney, J. (199)1. Firm resources and sustained competitive advantage. Journal of Management 17 (1), 99–120.

Beard, D. W. & Dess, G. G. (1981). Corporate-level strategy, business-level strategy, and firm performance. *Academy of Management Journal*, 24(4), 663–688.

Castillo-Apraiz, J., & Matey, J. (2020). Customizing competitive strategy to entry timing: Implications for firm performance in the pharmaceutical industry. *Managerial and Decision Economics*, *41*(6), 976-985.

Cavalluzzo, K. S. & Ittner, C. D (2004). Implementing performance measurement innovations: evidence from government. *Accounting, Organizations and Society,* 29(3/4), 243-267.

Direction, S. (2020). Appraising performance gains: Utilizing competitive strategies to design superior performance appraisal.

Dooren, W. V. 2005). What makes organizations measure. *Financial Accountability and Management,* 21(3), 363–383

Davidson, S., (2008). Seizing the competitive advantage. *Community Banker*, 10 (8), 32-48

Furrer, O., Thomas, H. & Goussevskaia, A. (2008). The structure and evolution of the strategic management field: a content analysis of 26 years of strategic management research. *International Journal of Management Reviews*, (10), 1-23

Gmelin, H. & Seuring, S., (2014). Achieving sustainable new product development by integrating product life-cycle management capabilities. *International Journal of Production Economics,* 154, 166–177. Available at: http://linkinghub.elsevier.com/retrieve/pii/S0925527314b01406

Grant, C. W. (2012). *Strategic Management: A new view of Business policy and planning,* Boston: Little Brown and company.

Gunasekaran J. W. & Mavondo R. S. (1999). *Relationship between generic Strategies, competitive advantage and organizational performance:* Massachusetts: University Press.

Helden, G. J. van, Johnsen, A. & Vakkuri, J. (2006). Exploring the public administration and accounting divide of public sector performance measurement research. *Paper presented at EIASM Conference,* *Siena, September 2006.*

Hill, C. W. (2001). Differentiation versus low cost or differentiation and low cost: a contingency framework. *Academy of Management Review*, 13(3), 401-12.

Hoskisson, R. E., Hitt, M. A., Wan, W. P. & Yiu, D. (1999). Theory and research in strategic management: Swings of a pendulum. *Journal of Management*, 25(3), 417-456. http://dx.doi.org/10.1177/014920639902500307

Hyatt, L., (2008). A simple strategy guide, *Nursing Homes*, 50(1), 12-23.

Ireland, R.D., Hitt, M.A., &Vaidyanath, D., (2002). Alliance management as a Source of Competitive Advantage. *Journal of Management*, 28(3), 413-446.

Islami, X., Mustafa, N., & Latkovikj, M. T. (2020). Linking Porter's generic strategies to firm performance. *Future Business Journal*, 6(1), 1-15.

Johnson, G., Scholes, K. (2012). *Exploring corporate strategy: Text and cases*, Cambridge: Prentice Hall

Kale, P., Singh, H, & Perlmutter, H. (2000). Learning and protection of proprietary assets in strategic alliances: building rational capital. *Strategic Management Journal*, 21, 217-237.

Karnani, A., (2004). Generic competitive strategies: an analytical approach. *Strategic Management Journal* 5, 367–380

Kiechel, W. (2010). The lords of strategy. *Harvard Business Review*, 59(1), 135-144.

Lechner, C. & Gudmundsson, S. V., (2014). Entrepreneurial orientation, firm strategy and small firm performance. *International Small Business Journal*, 32(1), .36–60.

Lestari, S. D., Leon, F. M., Widyastuti, S., Brabo, N. A., & Putra, A. H. P. K. (2020). Antecedents and consequences of innovation and business strategy on performance and competitive advantage of SMEs. *The Journal of Asian Finance, Economics, and Business*, *7*(6), 365-378.

Malburg, C. (2007). *Competing on Costs. Industry Week*, 249(17), 31.

Miller, D., & Friesen, P. H. (1996). Porter's (1980) generic strategies and performance: an empirical examination with American data. Part 1: testing Porter. *Organizational Studies* 7, 37–55.

NAN (2020). NNPC has 6,621 staff strength – Report. https://www.premiumtimesng.com/news/more-news/394543-nnpc-has-6621-staff-strength-report.html

Ndung'u, C. W., Ogutu, M., Yabs, J., & Muranga, N. J. (2020). Competitive strategies and performance of large manufacturing firms in Kenya; the role of corporate image. *African Journal of Business and*

Management, 6(1), 185-202.

Nguyen, H., Tran, T. H. M., Nguyen, T. H. Y., & Truong, D. D. (2021). The Influence of Competitive Advantage on Financial Performance: A Case Study of SMEs in Vietnam. *The Journal of Asian Finance, Economics and Business*, 8(5), 335-343.

Nwojike, G. U. (2007). *The NigerianNational PetroleumCorporation and the development of the Nigerian oil and gas industry*: History, strategiesand current directions: Thesis. Rice University

Oladimeji T. T. & Folayan, G. B. (2018). *ICT and its impact on national development In Nigeria: An overview.* Retrieved from https://www.semanticscholar.org/paper/ICT-and-Its-Impact-on-National-Development-In-An-Tt-Gb/6ea22baf5c108d151558e0f020701cfe1655cfcc

Parker, B., & Helms, M. M. (1992). Generic strategies and firm performance in a declining industry. *Management International Review*, 32(1), 23-29.

Pearce, J. A., & Robinson R. B. (2007). *Strategic management formulation, implementation and control,* 10th Edition, Boston: Irwin McGraw-Hill.

Ray, G., Barney, J. B., & Muhanna, W.A. (2004). Capabilities, business processes, and competitive advantage: Choosing the dependent variable in empirical tests of the resource-based view. *Strategic Management Journal*, 25, 23–37.

Porter, M. E. (1985). Towards a dynamic theory of strategy, *Strategic Management Journal,* (12), 95-117.

Porter, M. E. (1980). *Competitive Strategy: Techniques for analyzing industries and competitor*. New York: The Free Press.

Powell, T. C (2001). Information technology as competitive advantage: the role of human, business, and technology resources. *Strategic Management Journal,* 18(5), 375–405.

Ross, D. N. (1999). Culture as a context for multinational business: a framework for assessing the strategy-culture fit. *Multinational Business Review*, 7(1), 13-9.

Rumba, J. W. (2008), *Strategic responses by mobile phone companies in Kenya to environmental changes*. (Unpublished MBA Research Project): University of Nairobi.

Shobande, O. A., & Akinbomi, M. D. (2020). Competition dynamics in the Nigerian aviation industry: A game theoretic approach. *Future Business Journal*, 6, 1-8.

Slater, S. F. & Olson, E. M. (2002). The balanced scorecard, competitive strategy, and performance. *Business Horizons*, 45(3), 11–16.

Spillan, J. E., Parnell, J. A., Panibratov, A., & Yukhanaev, A. (2021). Strategy and performance of Russian firms: an organizational capabilities perspective. *European Journal of International Management*, 15(1), 1-26.

Upadhaya, B., Munir, R., & Blount, Y. (2014). Association between performance measurement systems and organizational effectiveness: *International Journal of Operations & Production Management*, 34(7), 2-2.

Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal,* (5), 171–180

White, R. E. (1996). Generic business strategies, organizational context and performance: an empirical investigation. *Strategic Management Journal*, (7), 217–231

Zapletalová, Š. (2021). Internationalization and Competitive Strategies of Enterprises. *In Contemporary Entrepreneurship Issues in International Business,* 139-168.