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STRATEGIC ORIENTATION AND MARKET SHARE OF SELECTED DEPOSIT MONEY BANKS IN LAGOS STATE, NIGERIA.

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ABSTRACT

The banking industry has been passing through financial crisis in the past few years and this has affected its performance resulting in declining profitability and rising non-performing loans. These are due to poor strategic management and governance amongst others as studies have shown that strategic orientation may affect banks' organizational performance. This study therefore examined the interaction between strategic orientation and organizational performance of selected deposit money banks in Lagos state, Nigeria. The study employed survey research design and the target population comprised 25,297 employees of ten major deposit money banks, that control about 80% of the total asset base of the nineteen deposit money banks quoted in the Nigerian stock exchange as at 31st December, 2017. Krejcie and Morgan table was used to arrive at the sample size of 988, while stratified random and proportionate sampling techniques were used to select the respondents. A structured questionnaire was adapted, validated and used for collection of data. The Cronbach's alpha reliability coefficients for the constructs ranged from 0.741 to 0.865. The response rate was 81.47%. Data were analyzed using descriptive and inferential (Pearson product moment correlation) statistics. Findings revealed that there was a significant relationship between strategic orientation components of strategic leadership, strategic planning, strategy implementation, strategy evaluation, strategy control and market share, $r(803) = .465$, $p<.05$; $r(803)= .580$, $p<.05$; $r(803) = .562$, $p<.05$; $r(803) = .547$, $p<.05$; $r(803) = .642$, $p<.05$ respectively. The study concluded that strategic orientation contributes to organizational performance of deposit money banks in Lagos state, Nigeria. The study recommended that the Nigerian banking industry should have strong regulatory backing from the government to compete favourably in the competitive financial arena.

Keywords: Deposit money banks, Market share, Organizational performance, Strategic orientation.

1.Introduction

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, 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 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

The Nigerian banking industry has been passing through financial crisis in the past few years and this has affected its performance resulting in declining profitability and rising non-performing loans. This is due to poor strategic management and governance amongst others as studies have shown that strategic orientation may affect banks' organizational performance and their share of the market. This brings to the fore the degree of competitiveness in the banking industry as banks strive to increase their share of the market. However, the relationship between banks' strategic orientation and their share of the market in Nigeria has not been optimally researched, and existing findings are inconclusive.

The banking industry is facing a difficult time as highlighted by an increasingly complex regulatory environment, operational challenges and costs, and struggles with maintenance of a sustainable growth rate, stakeholders' expectations and market share. With increasing competition and more options for personal finance available to customers, banks are being confronted with the reality that customers shift their focus to ease of use and access when making their banking decisions, and the traditional branch-based method or model is rapidly becoming outdated and obsolete, and banks now have to take this into account when building their strategic plans, acting quickly to acquire deep capabilities and becoming aware of the need for these changes remains the first challenge (McKinsey & company, 2018). Additionally, with the increased pressure on new customer acquisition and scramble for deposits across the industry in Nigeria, banks now have to be more innovative in their acquisition strategies, and to achieve a significant return on their investment and increase their market share, they now rely on a combination of traditional, electronic, and social channels. 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.

Objective of the study

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

Research question

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

Research hypothesis

The hypothesis of the study is:

H_0 strategic orientation has no significant effect on market share of selected deposit money banks in Lagos state, Nigeria.

2. Literature Review and Theoretical framework

2.1 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.

2.4 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 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).
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 increasing its market share. Hence, it justifies the adoption of RBV as the main research tenet.

Market Share

Generally, market share refers to the portion of a market controlled by a particular company or product. It represents the percentage of an industry or market's total sales that is earned by a particular company over a specific time period. According to Kotler (1984), a firm's market share is proportional to the marketing effort of its product. Market share is a measure of the consumers' preference for a product over other similar products. A higher market share usually means greater sales, lesser effort to sell more and a strong barrier to entry for other competitors. Knowing a company's market share helps the business understand its competitive strength compared to other operators in the market (Porter, 1985).

The business dictionary defines market share as a percentage of total sales volume in a market captured by a brand, product, or company. According to Rego, Morgan, and Fornell (2013), market share is often used to assess an organization's marketing performance. Porter (1980) viewed market share in the context of size and scale and stated that companies pursue higher market share to get a cost advantage. Economic theory suggests that firms might focus on market share to improve shareholder value through improved efficiency to the benefit of consumers. Alternatively, higher market share could generate greater market power, which adversely affects consumers. From the various definitions, a company's market share refers to the percentage of a given market controlled by the company in comparison with the industry.

One of the characteristics of market share is that its analysis is competitive, which is an indication that effects of an organization's actions must be analyzed in conjunction with the market positions of competitors. Another characteristic is that an organization's current market share helps predict or make accurate predictions of its future shares (Cooper & Nakanishi, 2010).

Empirical Review

Strategic Orientation and Market Share

Management scholars have argued that an organization's market share reflects the current competitive position that the organization attains in the marketplace, so that firms with high market shares are considered to better satisfy customers' needs and, therefore, enjoy a competitive advantage against their smaller competitors and higher profitability. From empirical findings, market share is positively correlated with profits. However, it does not follow logically that seeking higher market share will improve profits. Rather the correlation between market share and profitability is more logically interpreted as showing that firms with better offerings tend to achieve higher market shares. Research has shown that in highly competitive business environments, firms take strategic actions in pursuance of superior returns and market share or market power that will enhance their return on investment. This is attested to by the study of Pirtea, Nicolescu, & Botoc (2009), the role of strategic planning in modern organizations in Romania who revealed that if governing boards and staff are committed to its implementation, a strategic plan can provide an invaluable blueprint for organizational growth in market share and revitalization, and Dauda, Akingbade, and Akinlabi (2010), strategic management practices and corporate performance of selected small business enterprises in Lagos metropolis, whose findings revealed that strategic management practices enhance both organizational profitability and company market share. A similar study by Muogbo (2013) that considered the impact of strategic management on organizational growth and development, with selected manufacturing firms in Anambra state, reported that strategic management is a veritable tool for improving competitiveness, performance level and structural development of manufacturing firms.

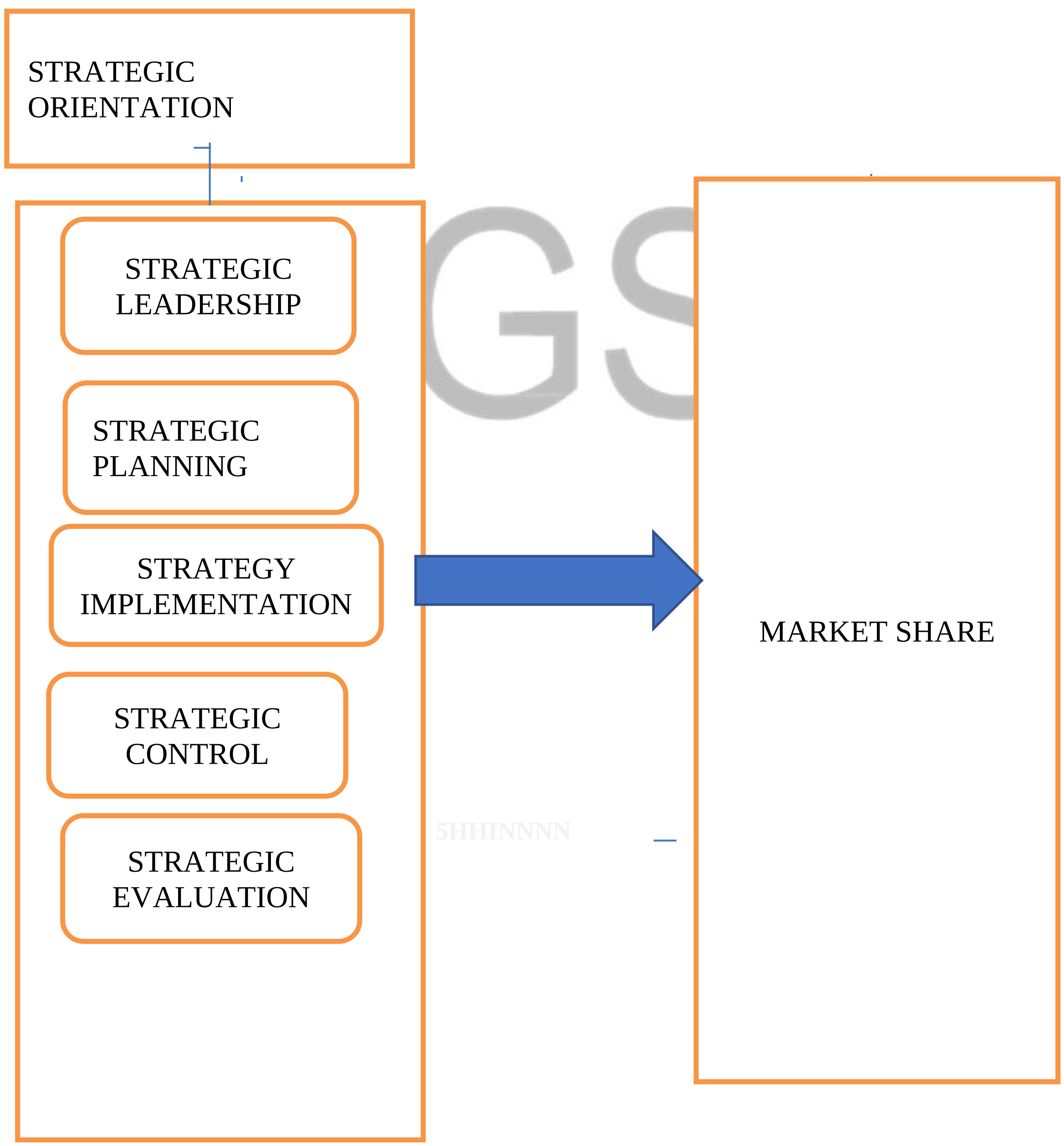
In the same vein, Olusanya and Oluwasanya (2014) examined the effect of strategic planning on the growth and survival of emerging firms, it was revealed from the study that the success of any enterprise - regardless of its size or age, is highly dependent on its ability to find a valuable strategic position. The study further revealed that strategic planning is a panacea to the profitability and sustenance of emerging firms. Affirming the indispensability of strategic management in the pursuit of organizational growth in market size, Kutllovci and Shala (2013) in their study of the role of strategic management on small business growth in Kosovo, where small and medium enterprises (SMEs) are generally considered the engine room of economic growth and development, reported that there is a positive relationship between strategic planning and SMEs growth and that without a clearly defined strategy, a business has no sustainable basis for creating and maintaining a competitive edge in the market place. Also, Ayachi (2015) in his study of the role of strategic planning in performance management reported that the level of strategic planning is positively associated with the growth and the success of the company. Furthermore, a similar study in Kenya on effects of strategic planning on organizational growth, a case study of Kenya medical research institute by Odongo and Datche (2015), reported that strategic planning has a positive relationship on organizational growth if implemented properly.

Genchev (2012), in his study of the effects of market share on the bank's profitability aimed at exploring the impact of various factors such as market share and concentration ratio on profitability measurements of banks in Bulgaria, based on balanced panel data of 22 banks over the period 2006 to 2010 confirmed the argument that the larger the market share of a bank, the higher the profitability earned by the bank. According to the findings, this implies that in the banking sector a 1% change in market share is approximately associated with a 0.68% change in return on equity (ROE). Findings of these studies confirm that the pursuit of market share is indeed a correct strategy for the banks. Similarly, in Kenya, a research on the effects of strategic planning on organizational growth, a case study of Kenya medical research institute by Odongo and Datche (2015), reported that strategic planning has a positive relationship with growth in market share if properly implemented. This position was corroborated in Nigeria by an earlier study of Okoye and Ezejiofor (2013) who conducted a study to determine the efficiency of human resource training and development in organization growth, in Awka, Anambra state. Their result showed that human resource training and development significantly affect organizational growth.

Finally, the above findings are in agreement with the findings of Asikhia (2010) in the study of market-focused strategic flexibility among Nigerian banks, who revealed that a positive relationship exists between market focused strategic flexibility and sales growth. The study also revealed that market-focused strategic flexibility could aid banks in continually satisfying their customers in the face of changing market conditions and thus increase banks performance.

However, Rego, Morgan and Fornell (2013) examined the market share and customer satisfaction relationship over a long-time period in a representative sample of U.S. consumer markets and found a consistently significant negative market share–customer satisfaction relationship. According to their findings, this is because customer satisfaction is generally not predictive of firms' future market share, but market share is a strong negative predictor of firms' future customer satisfaction. They also reported that a firm's customer satisfaction can predict its future market share when it is benchmarked against that of its nearest rival and customer switching costs are low. Also, an earlier study by Fraering and Minor (1994) of the industry-specific basis of the market share-profitability relationship suggested that the relationship between market share and profitability is questionable, except in certain industries, and stated further that the pursuit of market share is not a useful generic strategy which can be applied in most industries. Furthermore, the study by Aregbeyen (2011) of business re-engineering and organizational performance in Nigeria, using First Bank Nigeria Plc as case study reported that the re-engineering project significantly improved the performance of the bank in terms of profitability, but in terms of growth and financial intermediation, there was no significant improvement. This implies that growth in market share may not necessarily lead to increase in profitability and that the relationship between market share and strategic orientation needs to be examined further.

2.5 CONCEPTUAL MODEL



3. Methodology

The study employed survey research design and the population comprised 25,297 employees of ten major deposit money banks, that control about 80% of the total asset base of the nineteen deposit money banks quoted in the Nigerian stock exchange as at 31st December, 2017. Krejcie and Morgan table was used to arrive at the sample size of 988, while stratified random and proportionate sampling techniques were used to select the respondents. A structured questionnaire was adapted, validated and used for collection of data. The Cronbach's alpha reliability coefficients for the constructs ranged from 0.741 to 0.865. The response rate was 81.47%. Data were analyzed using descriptive and inferential (Pearson product moment correlation, multiple and hierarchical regression analysis) statistics.

Model Specification

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

Hypothesis
MS = f (SL, SP, SI, SE, SC)
Model:

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

4. Data Analysis

To achieve the objective of this study, 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 market share of selected deposit money banks. The findings indicated the frequencies, percentages, mean and standard deviations stated in Table 4.1.1 to 4.1.6

4. Data Analysis

Table 4.1.1 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 4.1.2Descriptive 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
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 4.1.3 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

Source: Source: (Survey Data, 2019)

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 4.1.4 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 communicati ng 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

Source: Source: (Survey Data, 2019)

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 4.1.5 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.

Table 4.1.6 Descriptive analysis of responses on market share

Market Share	LEVEL OF AGREEMENT (%) (n = 805)							Average	
	VHD	HD	MHD	MLD	LD	VLD	MISSING	M	S. D
Strong market position	21.0	42.5	31.2	4.2	0.9	0.2	0.0	4.78	.87
Patronage of services by customers	14.8	37.9	35.9	9.9	0.9	0.2	0.4	4.54	.95
Strategy for increasing market share	12.8	37.4	36.8	10.8	1.4	0.2	0.6	4.46	.98
Monitoring of changes in market share	10.6	37.9	36.1	13.7	1.5	0.2	0.0	4.42	.92
Product awareness by customers	10.3	35.7	38.6	12.9	2.0	0.5	0.0	4.38	.94
Average								4.52	.93

Source: Researcher's Result (2018)

In Table 4.1.6, overall, the mean is 4.52 and the standard deviation is .93, which implies that the respondents indicated a high degree response and consensus on market share.

Hypothesis Testing

To test the hypothesis, Pearson's correlation coefficient (*r*) was used. The data for strategic orientation were created by summing responses of all items for strategic leadership, strategic planning, strategy implementation, strategy implementation, and strategic control while that of market share was generated by adding responses of all items for the variable. The results of the Pearson correlations are presented in Table 4.1.7.

Table 4.1.7: The Relationship between Strategic Orientation and market share of selected Deposit Money Banks in Lagos State, Nigeria

	Market Share	Strategic Leadership	Strategic Planning	Strategy Implementation	Strategy Evaluation	Strategic Control
Market Share	1					
Strategic Leadership	.465**	1				
Strategic Planning	.580**	.617**	1			
Strategy Implementation	.562**	.548**	.646**	1		
Strategy Evaluation	.547**	.445**	.554**	.552**	1	
Strategic Control	.651**	.518**	.656**	.665**	.636**	1

Source: Researcher's Result (2018)

Table 4.1.7 illustrates the bivariate linear multiple correlations between strategic orientation and market share of selected deposit money banks in Lagos state, Nigeria. The results reveal that strategic leadership has a weak significant and positive relationship with market share (r= .465**, p<.00). This means that there is a weak positive relationship between strategic leadership and market share of selected deposit money banks in Lagos state, Nigeria. The results indicate that there is a moderate significant and positive relationship between strategic planning and market share (r = .580**, p<.05). Furthermore, the result shows a moderate significant and positive relationship between strategy implementation and market share (r = .562*, p<.05). Also, the result revealed a moderate significant and positive relationship between Strategy Evaluation and market share (r = .547*, p<.05). From the results, strong relationship was found to be between strategic control and market share (r = .651*, p<.05). Based on the results, the relationship between strategic orientation variables and market share is statistically significant since p value is less 0.05. Therefore, the null hypothesis (H_0) which states that there is no significant relationship between strategic orientation and market share of selected deposit money banks in Lagos state, Nigeria was hereby rejected.

Discussion

The results of bivariate linear multiple correlations in Table 4.1.7 on the relationship between the sub variables of strategic orientation and market share are statistically significant $p < 0.05$. This means that there exists a positive and significant relationship between strategic orientation and market share of selected deposit money banks in Lagos state, Nigeria. This synchronizes with the view of management scholars who have argued that an organization's market share reflects its current competitive position that the organization attains in the market place, so that firms with high market shares are considered to better satisfy customers' needs and, therefore, enjoy a competitive advantage against their smaller competitors and higher profitability. From these empirical findings, the correlation between market share and profitability is more logically interpreted as showing that firms with better strategic orientation tend to achieve higher market shares. This view was supported by the studies of Pirtea, Nicolescu, and

Botoc (2009) on the role of strategic planning in modern organizations in Romania who revealed that committed implementation of strategic plans provide an invaluable blueprint for organizational growth in market share and revitalization, and Dauda, Akingbade, and Akinlabi (2010), whose findings revealed that strategic management practices enhance both organizational profitability and company market share.

Also in agreement with these results is the research by Olusanya and Oluwasanya (2014) whose examination of the effect of strategic planning on the growth and survival of emerging firms, revealed that the success of any enterprise - regardless of its size or age, is highly dependent on its ability to find a valuable strategic position. Affirming the indispensability of strategic orientation in the pursuit of organizational growth in market size, Kutllovci and Shala (2013) in their study reported that there is a positive relationship between strategic planning and SMEs market growth and that without a clearly defined strategy, a business has no sustainable basis for creating and maintaining a competitive edge in the market place. Also, the findings of Ayachi (2015) who in his study of the role of strategic planning in performance management reported that the level of strategic planning is positively associated with the growth and the success of the company is in complete alignment with the results of this present research. Furthermore, in Kenya Odongo and Datche (2015), reported that strategic planning has a positive relationship with organizational growth if implemented properly.

The results of this study agree also with an existing research in the banking industry in Bulgaria, by Genchev (2012), based on balanced panel data of 22 banks over the period 2006 to 2010 confirming the argument that the larger the market share of a bank, the higher the profitability earned by the bank. According to the findings, an increase in the banking sector of a 1% change in market share is approximately associated with a 0.68% change in return on equity(ROE). Similarly, in Kenya, a research by Odongo and Datche (2015), also reported that strategic planning has a positive relationship with growth in market share. Finally, the above findings are in agreement with the earlier findings of Asikhia (2010) who revealed that a positive relationship exists between market focused strategic flexibility and sales growth, and that market-focused strategic flexibility could aid banks in continually satisfying their customers in the face of changing market conditions and thus increase banks performance.

Some existing scholars have reported negative relationship between strategic orientation and market share. Rego, Morgan and Fornell (2013) who examined the market share and customer satisfaction relationship in the United States' consumer markets found a consistently significant negative market share–customer satisfaction relationship. Also, an earlier study by Fraering and Minor (1994) of the industry-specific basis of the market share-profitability relationship suggested that the relationship between market share and profitability is questionable. The outcome of the study by Aregbeyen (2011) in the Nigerian banking industry also negated the outcome of this present study. This implies that there seems to be no consensus on the relationship between market share and strategic orientation.

5 Conclusion and Recommendation

5.1 Conclusion

This study examined the relationship between strategic orientation and market share of selected deposit money banks in Lagos state, Nigeria. It concluded that strategic orientation has a significant relationship with the market share of deposit money banks in Lagos state, Nigeria. The outcome of the study agrees with and validates resource based view submission that firm resources create and sustain competitive advantage thereby enhancing organizational market share. The study revealed that strategic orientation equips the banks to exploit available resources in order to achieve, create and sustain competitive advantage thereby increasing its market share.

5.2 Recommendation

Arising from the outcome of the study, the following is recommended for implementation to ensure sustainability of the banking industry.

The Nigerian banking industry requires support and strong regulatory backing from the government to compete favorably in the ever-competitive global financial arena. Therefore, both the government and the various regulatory agencies need to 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 and banks must focus on their ability to innovate in order to respond to the challenges in their volatile operating environment and to sustain their market share thereby resulting in improved organizational performance.

Suggestions 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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