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Operations Strategy and Competitiveness of Food and Restaurants in Rivers State

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Abstract: *This study examined the relationship between operations strategy and competitiveness of food and restaurants in Rivers State, Nigeria. Cross sectional research design was adopted in studying ten (10) of these companies. Our respondents were managers thus constituting the population of the study. From the field survey, we retrieved and analyzed fifty nine (59) copies of questionnaire from the participants; Spearman's rho correlation coefficient statistical tool was used to determine the relationship existing between the variables while the p-value obtained were used to test hypotheses developed for the study. Findings revealed the existence of significant relationship between the dimensions of operations strategy namely; customers focus, procedural implementation and resource allocation and the measures of competitiveness. It was then concluded that the end point and justification of good strategies formulated is in their apt application as well as implementation of those strategies because it is until they are implemented; success will not be attained from those good sounding strategies. This gave rise to our recommendations for the food and restaurants as well as other business organizations operating in the modern day market environment; that they should ensure strategies formulated are always implemented to remain competitive in the market; these are the fundamental choices that a corporate strategy comprises and they should frame and guide all the decisions that a company's corporate executives, functions, and staff make every day, including how they run the place, what they buy, what markets they enter, how they measure success, and so on.*

Keywords: Operations strategy, Customer focus, Procedural implementation, Resource allocation and Competitiveness

Introduction

In today's world of business, technological advancement has simplified business processes to the point where firms are even going into other line of businesses just to gain competitive advantage (Rivard, 2000). This is particularly true when relating the activities of banks to insurance companies. However, smart insurance companies seize competitive advantage through organizational program implementation, budgetary program implementation and resource control implementation (Barney, 1991).

Competitive advantage exists when the firm is able to deliver the same benefits as competitors but a low cost or cost leadership advantage or deliver benefits that exceed those of competing products/package or differentiation advantage (Dess & Davis, 1984; Nayyar, 1993), through following the organizational programme, budgeting and resource control programme implementation (Isalm & Khourshed, 2013). Similarly, Barney (1991) suggested that the resources/packages that are scarce and valuable at the same time can create competitive advantage and if these resources are also difficult to duplicated, they can sustain the advantage. Isalm and Khourshed (2013) further explained that competitive advantage occurs when an organization acquires or develop an attributes or combination of attributes that allows it to outperform its competitors. These attributes includes organizational program implementation, budgetary program implantation and resources control program implementation strategies; which signify competitive advantage as the ability to stay ahead of present or potential competition, because superior performance reached through competitive advantage will ensure market leadership.

The strategic positioning of an insurance firm is the product of its internal and external factors and this positioning which gives it the competitive edge. These factors are analyzed and their strengths determined in order to combine them into a strategic setting that will generate competitive edge different and above the competitors. Competitive strategy will be how a company competes in a particular business through gaining a competitive advantage in a distinctive way. Competitive advantage is the strategic advantage one business entity has over its rival entities within its competitive industry. Achieving competitive advantage strengthens and gives a business a better position within the business environment.

In this regard, competitive advantage can be introduced into a system through a planned strategy implementation process. A strategic plan highlights process undertaken to develop a range of strategies that will contribute to achieving the organizational direction (Tapinos, Dyson & Meadows, 2005), on the other hand, strategy implementation represents the process of allocating resources to support the chosen strategies the process includes the various management activities that are necessary to put strategy in motion so as to gain competitive advantage.

Concept of Operations Strategy

According to Slack and Lewis (2009); they stated that operations strategy can have a heavy impact on business competitiveness, not only in the short term but also in the long run. The dilemma is that, when it comes to speeding up operations using distributed resources throughout companies, the impacts are difficult to identify in their entirety. This is the paradox of operations strategy, which is at the heart of the management of companies' strategic intentions and practices and plays a vital role in the success of organizations, but it is so comprehensive that it becomes easy to underestimate its importance (Davis, Aquilano & Chase, 2010).

Strategy implementation was defined by Worztel (1987) as the methods by which strategies are operationalized or executed within the organization; it focuses on the processes through which strategies are achieved. According to Wright, Kroll, Tu and Helms (1991) strategy implementation is the process of allocating resources to support the chosen strategies. This process includes the various management activities that are necessary to put strategy in motion, institute strategic controls that monitor progress, and ultimately achieve organizational goals. For example, according to Schaap (2006), the implementation process covers the entire managerial activities including such matters as motivation, compensation, management appraisal, and control processes. As Wright, Kroll, Tu and Helms (1991) pointed out, almost all the management functions planning, controlling, organizing, motivating, leading, directing, integrating, communicating, and innovation are in some degree applied in the implementation.

Effective and efficient strategy implementation involves developing an organization having potential of carrying out strategy successfully, disbursement of abundant resources to strategy-essential activities, creating strategy-encouraging policies, employing best policies and programs for constant improvement, linking reward structure to accomplishment of results and making use of strategic leadership. Excellently formulated strategies will fail if they are not properly implemented. In addition, it is essential to note that strategy implementation is not possible unless there is stability between strategy and each organizational dimension such as organizational structure, reward structure and resource-allocation process.

Customer Focus and Competitiveness

Clients are the main impetus behind gainful development particularly client steadfastness. "Many companies today have a corporate mission that focuses on the customer,'' To be number one in delivering value to customers" is an average statement of purpose" (Kaplan & Norton, 1992). A client focus connects with the association around the progressions occurring in its condition and gives the learning expected to change the product and services (Boone & Wilkins, 1995). It similarly decides the future achievement or disappointment of an organization (Kanji & Asher, 1993). Reed, Lemak and Montgomery (1996), uncovered that associations who include clients introduction for new item/benefit configuration beat their rivals by methods for drawing in more clients with striking items and administrations. Client focus draws in numerous advantages, for example, expanded client value, expanded consumer loyalty, enhanced client unwaveringness, upgraded notoriety of hotel, extended client base and expanded income and piece of the pie (Kotler, Bowen & Makens, 2010). Urging steadfast clients to make more buys is a system to develop the monetary development of an organization (Hayes, 2008). Interestingly Schmitt (2003), pointed out that firms can survive and if only they pool customers and are capable of commanding customers' loyalty and engage new ones. Consequently passionate bonds among associations and clients can't be disjoined by contenders (Berry, 2002), if firms are to fabricate real client relationship and hold faithful clients who will bring long haul benefit and make upper hand for firms (Al Manhawy, 2013). Sadikoglu and Olcay (2014) investigated 500 firms in turkey on the effects of quality management on performance and found that effective customer focus efforts increase operational performance, customer results, and market and financial performance. To achieve effective customer focus, hotels should carry out customer quality measurement, customer relationships, customer satisfaction and market research (Al Manhawy, 2013).

$H0_1$: There is no significant relationship between customer focus and competitiveness of food and restaurants in Rivers State.

Procedural Implementation and Competitiveness

Procedural implementation was defined by Capon (2008) as the step-by-step procedure in putting into play a strategy. Strategy, as a plan, vividly stipulates a consciously envisioned course of action taken by an organization. Companies usually make these plans consciously and firmly in advance before any action is taken. As a tactic/gambit, the procedural implementation in this context is a precise plot with greater intention to outsmart a business rival or a competitor.

Additionally, procedural implementation as a pattern is considered as being stable in behavior of the firm, whether it is intended to accomplish a set target or not. Thirdly, procedural implementation as a position, relates to a means of pinpointing a firm in its operating environment. Thus, a procedural implementation in the long run turns out to be an interceding force between the company and its environment. Lastly, procedural implementation as a perspective comprises of a preferred position and an embedded manner of perceiving the world.

The development of competitive strategies helps manager's pinpoint critical tasks that need to be performed in order to define an organization's strategic thrust and outperform their competitors successfully (Daft, 2000). The goal of procedural implementation is to help secure an enduring competitive advantage over competitors (Daft, 2000).

Thompson, Peteraf, Gamble and Strickland (2012) states that procedural implementation subsists at three levels in an organization to be precise: Corporate procedural implementation, business level procedural implementation and operational level procedural implementation. Corporate procedural implementation exists at the uppermost level in a firm and it is related to the scope of the firm's strategies and the extent of the procedural implementation's value addition to diverse parts of the company. Business Level procedural implementation is generally connected with making decisions on how best the firm can compete effectively and profitably in particular markets in the economy. Lastly, operational level strategies are basically concerned with the way the different departments of a firm can work synergistically to deliver successfully the corporate and business level strategies by providing people, processes and resources (Daft, 2000).

$H0_2$: There is no significant relationship between procedural implementation and competitiveness of food and restaurants in Rivers State.

Resource Allocation and Competitiveness

A company's resource allocation technique consists of the business approaches and initiatives it undertakes to attract customers and fulfill their expectations, to withstand competitive pressures with the aim of strengthening its market position. These strategies provide opportunities for the organization to respond to the various challenges within its operating environment. The competitive aim is to do a significantly better job of providing what customers are looking for, thereby enabling the company to earn a competitive advantage and outsmart rivals in the market place (Ouma & Munyoki, 2010)

Warugu (2001) in his research found out that focus and product differentiation are some of the major strategies used by commercial banks to gain competitive advantage. Similarly Kiptugen (2003) in a case study of how Nigeria Commercial Bank responds to the dynamic competitive environment established that proactive rather than reactive strategies such as research on changing customer needs and preferences formed the basis of its strategic planning. Mbwayo (2005) in studying anti money laundering compliance programs in commercial banks concluded that strict adherence procedures and standards have been implemented to ensure that money laundering is contained in Nigeria as well as it is a competitive resources allocation.

In the face of slowing industry growth and new competition, today's insurance firms are under tremendous pressure to grow organically. With formidable competition from both traditional brick and mortar operations and emerging Internet organizations, a large number of insurance firms are having trouble meeting performance expectations because they are unable to differentiate their business, reach customers, and unlikely to respond to new sales opportunities or make the most of their valued staff (Genesys, 2011). Insurance firms that define and implement solutions to these challenges are those that will successfully compete and thrive into the future. The research examined the strategic role of the contact center in retail banking, and how it can deliver the increased revenues and cost savings that will drive profitability and shareholder value. The paper argues that most conventional strategies fail to engage the customer during the key points in the decision making process, and banks may be losing sales by not being able to provide relevant information or sales and advisory assistance (Genesys, 2011).

$H0_2$: Resource allocation has no significant relationship with competitiveness of food and restaurants in Rivers State.

Relationship between Operations Strategy and Competitiveness

Since Michael Porter's pioneering ideas in competitive advantage, various researchers have ventured into looking at the practical implementation of strategy and achievement of competitive advantage in organizations. Basically Jurevicius (2013)brings out in the above figure is that for a firm to have competitive advantage, it must first look at both its internal and external environments as they impact on whether competitive advantage can be achieved. Based on this, the firm can then proceed and decide which of the two strategies-cost advantage or differentiation, as proposed by Michael porter, a firm should pursue and implement. The decision on which competitive strategy to pursue is difficult as there are many factors influencing this decision. A firm must match current capabilities with market opportunities while managing a dynamic external environment.

In their research, Duncan, Ginter and Swayne (1996) discovered that organizations sustain a competitive advantage only so long as the services they deliver and the manner in which they deliver them have attributes that correspond to the key buying criteria of a substantial number of customers. Thus, a firm must first understand customer needs and requirements and thus aim to not only meet but also surpass these requirements. According to Spong (2011), undertaking business has become increasingly complex and thus so has the task of management. With many factors at play such as globalization, ever-changing customer preferences, changing workforce and so on, there is a disconnect between strategic goals and short-term goals and activities. These complexities can be harnessed to achieve competitive advantage by reinventing the means of control, making direction setting bottom-up and outside-in and finally rethinking management as we know it today.

Methodology

This study adopted a cross sectional survey research design in studying ten (10) food and restaurants which forms our accessible population, however our study units include the managerial employees of the firms having that our unit of analysis is organizational and such employees are to stand in proxy for the organization. The human resource department provided the data on functional departments within the organization. Out of sixty two (62) managers we retrieved and analyzed fifty nine (59) copies from managers who were our study objects. The instrument with which we elicited data from the respondents is the questionnaire and was analyzed using Spearman's rho correlation coefficient statistical tool.

Results and Discussion

Table 1.1: Spearman's rho correlation coefficient: A test of association between the variables

Correlations

			Customer focus	Procedural.Impl	Resource.Alloc	Competitiveness
Spearman's rho	Customer focus	Correlation Coefficient	1.000	.790**	.883**	.913**
		Sig. (2-tailed)	.	.000	.000	.000
		N	59	59	59	59
	Procedural.Impl	Correlation Coefficient	.613**	1.000	.769**	.814**
		Sig. (2-tailed)	.000	.	.000	.000
		N	59	59	59	59
	Resource.Alloc	Correlation Coefficient	.883**	.769**	1.000	.834**
		Sig. (2-tailed)	.000	.000	.	.000
		N	59	59	59	59
	Competitiveness	Correlation Coefficient	.913**	.814**	.834**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	59	59	59	59

**. Correlation is significant at the 0.05 level (2-tailed).

SPSS output, Version 20 – Field Survey, 2021

Table 1.1 presents Spearman's rank order correlation run to ascertain the relationship between operations strategy and competitiveness as reported by fifty nine (59) respondents. A strong positive correlation coefficient value was reported between variables which were statistically significant (rho = .913**, p = .000 < 0.05 (alpha value) this suggests that there is significant relationship between customer focus and the criterion variable; also procedural implementation and competitiveness reported significant values of correlation (rho = .814**, p = .000 < 0.05); accordingly, resource allocation and the criterion variable (competitiveness) reported significant values of correlation (rho = .834**, n = 59, p = .000 < 0.05).

Decision: The null hypotheses stated are rejected and we state that there is significant relationship between the dimensions of operations strategy and competitiveness of food and restaurants in Rivers State.

Discussion of Findings

The study examined the relationship between operations strategy and competitiveness of food and restaurants in Rivers State; three (3) hypotheses were formulated as tentative answers to research questions raised and were tested to find support for the propositions, thus;

i. The result of the tested $H0_1$ reported the existence of a significant relationship between customer focus and competitiveness; (rho = .913**, p = .000 < 0.05); this empirical finding is supported by Reed et al. (1996) who uncovered that associations who include clients orientation for new product/service design outflank their rivals by methods for drawing in more clients with eminent products and services in this manner accomplishing better organizational results.

ii. The result of the tested $H0_2$ reported the existence of a significant relationship between procedural implementation and competitiveness; (rho = .814**, p = .000 < 0.05); this empirical finding is in consonance with Daft (2000), thus, development of competitive strategies helps manager's pinpoint critical tasks that need to be performed in order to define an organization's strategic thrust and outperform their competitors successfully. Capon (2008) defined procedural implementation as the step-by-step procedure in putting into play a strategy. This implies that for a company or firm to have competitive advantage over its competitor, there is need for such firm to develop competitive strategies that will involve step-by- step procedure.

iii. The result of the tested $H0_3$ reported the existence of a significant relationship between resource allocation and competitiveness; (rho = .834**, p = .000 < 0.05); this empirical finding is in consonance with Ouma and Munyoki (2010) who asserted that the competitive aim is to do a significantly better job of providing what customers are looking for, thereby enabling the company to earn a competitive advantage and outsmart rivals in the market place. Warugu (2001) also in his research found out that focus and product differentiation are some of the major strategies used by commercial banks to gain competitive advantage. The implication of this finding is that when firms are unable to differentiate their business, reach customers, they are unlikely to respond to new sales opportunities or make the most of their valued staff.

Conclusion

From the findings of the study, the conclusion is reached. In this case, for a company or firm to have competitive advantage over its competitors, there is need for such firm to develop operational strategies that will help the firm remain competitive in its designated environment of business. By implementing the laid down organizational policies and procedures; in the long run this undoubtedly turns out to be an interceding force between the company and its environment.

Furthermore, when firms are unable to differentiate their business, reach customers, they are unlikely to respond to new sales opportunities or make the most of their valued staff. Also, when organization's business approaches as well as initiatives are undertaken to attract customers and fulfill their expectations, they will be able to withstand competitive pressures among their rivals.

Recommendations

Based on the conclusion of this study, the following are recommended;

i. Customers should always be given opportunity to participate in creation process as this will help organizations understand the appropriate strategies that can satisfy customers and earn their trust.
ii. Business organizations operating in the modern day market environment should ensure strategies formulated are always implemented to remain competitive in the market; these are the fundamental choices that a corporate strategy comprises and they should frame and guide all the decisions that a company's corporate executives, functions, and staff make every day, including how they run the place, what they buy, what markets they enter, how they measure success, and so on.
iii. Organizations/firms should be able to develop competitive strategies, involving step-by-step approach in order to be ahead of its given competitors.
iv. Organizations should be able to differentiate their business, reach customers, in order to respond to new opportunities, as well as make most of their valued staff.
v. Organizations should be able to aim at delivering the same benefits as competitors but at a low cost, in order to earn competitive advantage over others.

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