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Strategic Flexibility and Competitiveness of Supermarkets in Rivers State

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Abstract: *This study examined the relationship between strategic flexibility and competitiveness of supermarkets in Rivers State. Cross sectional research design was adopted in studying ten (10) of these shops. Our respondents were the individual managers constituting the population of the study. From the field survey, we retrieved and analyzed fifty one (51) copies of questionnaire from the participants; Spearman's rank 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 strategic flexibility namely; strategic sensitivity, resource fluidity and leadership unity and competitiveness. It was then concluded that strategic sensitivity, resource fluidity, and leadership unity are crucial strategic components for improving competitiveness of the organization. This gave rise to our recommendations for these shops and other firms to ensure strategic sensitivity as it allows organizations to distinguish market opportunities and assess the suitability of their internal strengths to exploit these opportunities. When this is done, it will undoubtedly enable the organizations to adjust their resources and the way they are used in line with their priorities as to elicit competitiveness.*

Keywords: Strategic flexibility, Strategic Sensitivity, Resource Fluidity, Leadership Unity, Competitiveness.

Introduction

The current business environment is such that demands appropriate response on the part business enterprises to the concerns and realities prevalent. The heightened level of competitiveness is predicated on increasing technological advancements and changes relative to modern techniques and methodologies in the production of goods and services, incessant changes in customers' preferences as to what they want and how they want it, recent concerns raised on labor manifested through increased turnover and high mobility; these issues put to test the competitiveness of present day business organizations. When a business unit aligns its product and services offerings and requirements of competition to the market; it is said to be competitive (Adamkiewicz-Drwiłło, 2002); thus efforts made to ensure that product and services offerings meet consumers' expectations as to win their patronage and loyalty as well as efforts directed at undertaking such activities in absolutely fair manner delineates competitiveness.

Ajitabh and Momaya (2004) argued that a firm's share in its designated market connotes its competitiveness. Again, a firm's competitiveness relative to its international frontiers has been described as its economic strength over rivals wherein products and services offerings, labor and innovation are unrestricted by geographical factors (Chao-Hung & Li-Chang, 2010). The concept of competitiveness has been described as theoretical, multidimensional, relative and specific in its applications as it cuts across national, sectoral, industrial and organizational frontiers with the shades of its functionality in market mechanism (Bhawsar & Chattopadhyay, 2015; Siudek & Zawojska, 2014).

Extant research has identified and categorized sources of competitiveness into micro and macroeconomic sources; factors classified as microeconomic are seen to have immediate effect on the competitiveness of a given business unit; such factors include – sophisticated operations and strategies of the firm, as well as the availability of factors of production, technological know-how and firm's innovativeness while macroeconomic factors on the other hand include monetary and fiscal policy, governmental regulations etc. set either barriers or are presented as opportunities for higher corporate competitiveness (Siudek & Zawojska, 2014); however the category of the sources, it is unarguably true that competitiveness of any given business unit delineates its uniqueness in its designated clime of operations; to this end, the fittest survive in this era of intense competition.

Economic strength possessed by any given nation, sector/industry and individual business organization is likened to its competitiveness (Srivastava, Shah, & Talha, 2006); consequently, success and existence depends on this strength opined Ambastha and Momaya (2004). Accordingly, Bhawsar and Chattopadhyay (2015) argued the strength connotes competitiveness.
Garelli (2012) provided a definition on the concept to capture four areas namely efficiency, choice, resources and objective; hence every organizational competitive effort is directed at making strategic decisions on choices aimed at utilizing firm's resources to enhance competence for the ultimate goal of success and profitability.

Competitiveness has been predicated upon many factors in varying context, structures and climes; social capital has been described as an added value that helps to facilitate the network for entrepreneurial ventures (Fornoni, Mas-Verdú, Soriano, & Dobón, 2009). Davis and Aldrich (2000) corroborates this view in their claim that self-owned and controlled resources remain insufficient in ensuring growth and survival of entrepreneurial ventures especially when they operate within the context of intense competition; so that social capital is resorted to make up for firm's limited resources. Clark and Guy (1998) argues that technological developments and industrial policies are predicated upon innovation and competitiveness; and as such innovation predicts significantly and positively competitiveness relative to government' efforts to maintain competitive economies.

Business owners and managers are expected to continually exploit opportunities within their environments so as to have better positions in the market; howbeit dependent on the concerted effort to continually develop predominant strategies as to enlarge their scope so as to sustain their competitive positions (Singh, Garg & Deshmukh, 2008); thus expanding their operational horizon and enhancing innovative capabilities.

Literature Review

Strategic flexibility on the other hand, is a type of flexibility that has the potential for a company to transform itself, as well as to deal with hyper-competitive environment and economic crises (Sigala, 2009). Flexibility in strategic concerns provides the organization with the new states that engender learning, as well as addressing adaptation, renewal and enhanced longevity. Structural flexibility in its angle is a type of flexibility that focuses more on people, and tends to be less formalized and decentralized (Ojasalo, 2010). This type of flexibility focuses on human resource management within the organization; some managerial practices which can affect structural flexibility directly include compensation system, personnel selection, participation, team work, training, job design and authority system. In this case, workers have the main effect on performance especially those who are polyvalent and capable of multitasking.

Strategic flexibility refers to a set of activities implemented by organizations to add value in volatile business environments (Chan, Teoh, Yeow & Pan, 2019). According to Sampath and Krishnamoorthy (2017), strategic flexibility as a meta-capability is related to the assignment of appropriate resources to improve distinctive competencies among an organization's functions in line with maintaining flexibility to ensure a balance of competencies over time (Sampath & Krishnamoorthy, 2017).

Doz (2020) emphasized that strategic flexibility helps organizations to avoid "rigidity traps" and over-focusing on external embeddedness by moving to prohibit organizational recession and orienting toward more operational flexibility (Cunha, Gomes, Mellahi, Miner & Rego, 2020). Every business unit depends on the environment for input of materials, however, there are also adverse effects of the environment on the business unit, and therefore, strategic flexibility is regarded as a precious capability that enables organizations to cope with these challenges through rapid turnaround via modifying their processes and structures systematically. In the modern model context anchored on business environment dynamism, Doz and Kosonen (2010) viewed strategic flexibility as a vital capability adopted by organizations to formulate and modify their business model to become more interactive (Doz & Kosonen, 2010). The authors argue that there are three exceptional capabilities of strategic flexibility: (a) strategic sensitivity, (b) resource fluidity, and (c) leadership unity.

Strategic Sensitivity and Competitiveness

Strategic sensitivity plays a fundamental role in increasing the ability to recognize the surrounding environment and sense its changes, whether they are opportunities that organizations can exploit or threats that they can avoid through planning and future prediction activities and the development of alternatives to face possible scenarios (Fakunmoju, Arokodare & Makinde, 2020; Pereira, Mellahi, Temouri, Patnaik & Roohanifar, 2019).

The term strategic sensitivity has its roots in entrepreneurship literature and as such delineates a proactive stance hinged on cognitive capacities and processes such as prior knowledge and experiences, pattern recognition, information processing skills, and social interactions (Baron, 2006; Kirzner, 2009). Strategic sensitivity is directed towards opportunity identification and recognition (Gaglio & Katz, 2001; Kirzner, 2009) which the organization exploits to enhance its performance levels.

$H0_1$: There is no significant relationship between strategic sensitivity and competitiveness of supermarkets in Rivers State.

Resource Fluidity and Competitiveness

Resource fluidity is related to organizational capabilities to reshape and acquire a set of new resources and capabilities that help organizations to add value for customers and shift towards contemporary business models (Doz & Kosonen, 2010). Resource fluidity has an effect on the short-term capabilities of organizations, as represented by operational capabilities, and has a long-term and strategic effect on the organizational and structural capabilities of organizations (Kale, Aknar & Ba¸sar, 2019). For success, assimilation of new knowledge stemming from information sharing that occurs across organizational boundaries remains important (Hess & Hess, 2016).

Resource fluidity according to Nor Aziati, Juhana and Nor Hazana (2014) is the unidirectional communication between the client and the vendor exchange and share their useful information, skill, competencies or routines about the project and both parties is affected by changes in the recipient replication capacity, adaptation capacity and changes in skill or knowledge based that occurs as a function of experience from each other. Access to the external knowledge environment is critical, as it is likely to be the source of new knowledge for the firm that will ultimately increase its competitiveness in the market (DeCarolis & Deeds, 1999).
$H0_2$: There is no significant relationship between resource fluidity and competitiveness of supermarkets in Rivers State.

Leadership Unity and Competitiveness
Leadership unity refers to one of the administrative response features of the business environment dynamics (Bondzi-Simpson & Agomor, 2021). It represents leaders' support of policies, cooperation and collective commitment, in addition to stimulating decision-taking processes more quickly, where time plays an important role in such a rapidly changing environment (Cunha *et al.,* 2020; Khaddam, 2010). Shirey (2015) added that the importance of leadership unity lies in focusing on opening effective communication channels between the various administrative levels in organizations (Miranda, Nodari, Nobre & Schmidt, 2020). For example, Wernerfelt (1984) suggests that the strategic use of a firm's resources by top management is an important antecedent to products, and ultimately to firm performance.
The leadership of every organization is hinged with the responsibility of offering policies which encourage innovations and continuous improvement in design and production processes to affect positive outcomes.
$H0_1$: There is no significant relationship between leadership unity and competitiveness of supermarkets in Rivers State.

Competitiveness
Competitiveness is a multidimensional concept. It can be looked at from three different levels: country, industry, and firm level. Competitiveness originated from the Latin word, competer, which means involvement in a business rivalry for markets. It has become common to describe economic strength of an entity with respect to its competitors in the global market economy in which goods, services, people, skills, and ideas move freely across geographical borders (Murths, 1998). Firm level competitiveness can be defined as the ability of firm to design, produce and or market products superior to those offered by competitors, considering the price and non-price qualities (D'Cruz, 1992). Competitiveness processes are those processes, which help identify the importance and current performance of core processes such as strategic management processes, human resources processes, operations management processes and technology management processes. The competitiveness process can be viewed as a balancing process that complements traditional functional processes such as operations management and human resources management. It enhances the ability of an organization to compete more effectively.

Definitions of abstract concepts like competitiveness are never true or false. They can as conceptual tools only be evaluated with regards to their ability to shed light on the particular issues that they are being proposed to address. This somewhat abstract but fundamental insight has often been lost in the debate about competitiveness as a concept. As the following discussion suggests, very often the disagreement is not about the definition used itself, but about the issue to be studied and the policy implications to be drawn.
Traditional economic indicators such as profitability, productivity or market share, which are seen as being insufficient to enable continuous improvement of performance (Lu, 2006). As declared by Buckley *et al.* (1988), the concept not only reflects past performance, but also allows the perception of potential and the improvement of managerial processes. Traditional indicators can only reflect the historic quantitative facts.

Competitiveness is a capability and its potential has to be realized in a firm's everyday operations. As Porter (2004) says, "unless there is appropriate improvement at the microeconomic level, macroeconomic, political, legal and social reforms will no bear full fruit". In other words, macroeconomic conditions influence microeconomic (business) environment and vice versa. Further, there are many examples where firms exercise varying competitiveness (both positively and negatively) even though they exist in the same macro environment. Thus, competitiveness cannot be fully understood if the competitiveness of enterprises is not grasped
Competitiveness is meant to be a concept that is meaningful in describing and analyzing the root causes of prosperity levels, it suggests that the focus on productivity has to be paramount. Productivity is the key driver of long-term prosperity levels and is thus an appropriate and critical target for policy

Relationship between Strategic Flexibility and Competitiveness
Organizations that carry out their activities within volatile and highly turbulent work environments need to maintain good performance and build a sustainable competitive advantage to face changes in those environments. The idea of strategic flexibility emerged as one of the ingredients that enable organizations to face changing working conditions by relying on enhancing sensing

capabilities and resources reconfiguration (Clauss, Kraus, Kallinger, Bican, Brem & Kailer, 2020). Studies have proven that agile organizations respond more quickly to exploit the opportunities of the work environment. That is, strategic flexibility enables organizations to improve their financial performance (Bondzi-Simpson & Agomor, 2021), increase their market share (Clauss *et al.*, 2020), and improve the effectiveness and efficiency of resources by restructuring them in harmony with ambient conditions (Doz & Kosonen, 2010). Moreover, organizations' activities directed to developing innovation capability can be supported by adopting working methods based on strategic flexibility.

Farhana and Swietlicki (2020) emphasized that strategic flexibility by following up and evaluating changes in work environment conditions enables organizations to add value for customers through prospecting on the untapped market opportunities that contribute to satisfying the desires of customers (Clauss *et al.*, 2020). Kohtamäki *et al.* (2020) conceptualized strategic flexibility in innovation through three major practices related to the generation of proactive ideas, value-based product development, as well as product commercialization based on a market-oriented strategy (Miranda, Nodari, Nobre & Schmidt2020). For Miranda *et al.* (2020), innovation capability as evaluated by product and process innovation is positively related to strategic flexibility, where the latter significantly mediates the relationship between innovation capability and organizational resilience (Cai, Liu, Huang & Liang, 2019).

Cai *et al.* (2019) argued that innovation capability requires a sufficient flexibility in an organization's resources that can be allocated or reallocated to support initiatives directed to develop new offers (Brand, Tiberius, Bican & Brem, 2021).). On the other hand, Brand *et al.* (2021) indicated that strategic flexibility supports organizations' ability to create innovative business models through organizational restructuring, improving teamwork styles and reducing the impact of the organization's internal policy problems and organizational conflicts (Maldonado-Guzmán, Garza-Reyes, Pinzón-Castro & Kumar, 2019).

Methodology

This study adopted a cross sectional survey research design in studying ten (10) supermarkets in Rivers State which forms our accessible population; however our study units are the individual managers to their businesses classified along – managers, supervisors, and various unit leaders that constituted our study participants. In the ten (10) shops, we sampled sixty one (61) from which we retrieved and analyzed fifty one (51) 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 Rank order coefficient of correlation statistical tool.

Results and Discussion

Table 1.1: Spearman' rank order correlation coefficient: A test of association between the variables

Correlations

			Strategic.Sens	Resource.fluid	Leadership.Unit	Competitiveness
Spearman's rho	Strategic.Sens	Correlation Coefficient	1.000	.812**	.873**	.828**
		Sig. (2-tailed)	.	.000	.000	.000
		N	51	51	51	51
	Resource.fluid	Correlation Coefficient	.812**	1.000	.970**	.735**
		Sig. (2-tailed)	.000	.	.000	.000
		N	51	51	51	51
	Leadership.Unit	Correlation Coefficient	.873**	.970**	1.000	.871**
		Sig. (2-tailed)	.000	.000	.	.000
		N	51	51	51	51
	Competitiveness	Correlation Coefficient	**.828****	**.735****	**.871****	**1.000**
		Sig. (2-tailed)	**.000**	**.000**	**.000**	**.**
		N	51	51	51	51

**. 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 strategic flexibility and competitiveness as reported by fifty one (61) respondents who are managers across all levels within supermarkets studied in Rivers State. A strong positive correlation coefficient value was reported between variables which were statistically significant (rho = .828**, p = .000 < 0.05 (alpha value) this suggests that there is significant relationship between strategic sensitivity and the criterion variable (competitiveness); also resource fluidity and competitiveness reported significant values of correlation (rho = .735**, p =

.000 < 0.05); accordingly, leadership unity and the criterion variable (competitiveness) reported significant values of correlation (rho = .871**, n = 61, p = .000 < 0.05).

Decision: The null hypotheses stated are rejected and we state that there is significant relationship between the dimensions of strategic flexibility and competitiveness of supermarkets in Rivers State.

Discussion of Findings

The study examined the relationship between strategic flexibility and competitiveness of supermarkets in Rivers State; three hypotheses were formulated as tentative answers to research questions raised and were tested to find support for the propositions, thus;

The result of the tested $H0_{1\text{-}3}$ reported the existence of a significant relationship between the dimensions of strategic flexibility (strategic sensitivity, resource fluidity and leadership unity) and competitiveness; (rho = .828**, p = .000 < 0.05; rho = .735**, p = .000 < 0.05; rho = .871**, p = .000 < 0.05); the empirical study shows that strategic sensitivity, resource fluidity, and leadership unity are crucial strategic components for improving competitiveness of firms. Sanchez (1995) investigates dynamic product markets from a resource based and strategic flexibility perspectives and concludes that flexibility depends jointly on the resource flexibility available to the firm and the coordination flexibility of the firm. Thus, a firm with a capability to use overtime or part time labor must also possess the co-ordination ability to handle the resulting scheduling complexity; strategic sensitivity allows organizations to distinguish market opportunities and assess the suitability of their internal strengths to exploit these opportunities (Doz & Kosonen, 2010).

Conclusion

Empirical reports from data analyzed lend the following conclusions relative to the scope of our study: First, the study shows that strategic sensitivity, resource fluidity, and leadership unity are crucial strategic components for improving competitiveness of the organization. Strategic sensitivity allows organizations to distinguish market opportunities and assess the suitability of their internal strengths to exploit these opportunities. Resource liquidity refers to the extent of resource flexibility that enables an organization to adjust its resources and the way they are used in line with its priorities. Moreover, the ongoing collective commitment of the management (i.e., leadership unity) helps an organization to expand its ability to adapt to environmental changes. The role of the leadership here is to make the right decisions at the right time.

Recommendations of the Study

The following recommendations come about as a result of prior findings and conclusions reached relative to the variables studied, thus;

i. These three components of strategic flexibility (sensitivity, resource fluidity and leadership unity) play a central role in boosting competitiveness and effort of management should be concerted on them.
ii. Second, the study signifies that strategic flexibility is a main prerequisite of competitiveness; therefore, theses shops should develop the ability to integrate resources, which is crucial to encourage innovation.
iii. Business owners should strive to be strategically flexible because by it, environmental changes are identified and the form of the optimal response is given accordingly.
iv. Strategic flexibility contributes to sustainability and should be upheld for such dynamic capability would engender competitiveness for the organization.

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