
S.A. Adebisi, B.E.A. Oghojafor
University of Lagos, Nigeria

Abstract
Global System for Mobile-Telecommunications (GSM) technology began in Nigeria in the year 2001 as a result of poor telecommunication services rendered then by the single National carrier; Nigerian Telecommunication Limited (NITEL). Against this background the study was conceived to measure the extent of adoption of strategic management elements in the GSM sector and the resultant effect on performance of service providers. Data were collected from MTN and AIRTEL. 200 copies of a questionnaire were administered on the service providers using cluster sampling technique and 396 copies on subscribers of the service providers in South-west state capitals in Nigeria. Techniques used included Logit, Multiple regression and others. Findings revealed strategic vision, environmental factors and choice of strategy are factors determining GSM service providers’ performance.

Keywords
Strategic Management, Vision, Mission, Environmental Factors, Strategic Options, Core Competencies, Competitive Advantage

INTRODUCTION
Strategic management is concerned primarily with the central objective of finding out why some organizations succeed while others fail in the same industry that is faced with similar opportunities and challenges. It has a specific interest in measuring and evaluating why success may turn into failure; how failing organization can regain success and how a leading organization can strongly consolidate on its existing position to rule and direct the affairs of the market to ensure a sound competitive advantage (Adebisi, 2011). Charles and Gareth (1995) suggested three broad factors responsible for determining what befalls the organization among the three levels of performances measurement as; the industry where it is based; the country where it is located and its own resource capabilities and strategies. Comparative ability to compete favorably may earn an organization a competitive advantage and an edge over others which can in turn lead such firm to becoming a key market player. This paper has adopted the Strategic Group Theory (Cool et al., 1994; Porter, 1980) which describes a group of firms within the industry that are highly symmetric with respect to cost structure, the degree of vertical integration, degree of product differentiation, formal organization, control systems and competing within the industry on the basis of similar combinations of scope and resource commitments. These firms adopt the application of strategic management by adopting similar strategies and resources, leading to intra-industry segmentation.
The firms under investigation in this paper entered the Nigerian GSM sector in 2001 as a group of new investors pursuing the same opportunities but with perfect knowledge of bad management practice of the defunct Nigerian Telecommunication Limited (NITEL) who was sole telecom provider in Nigeria but without any efficiency.

In global markets, some companies find it easier to succeed because they are located in countries that have competitive advantage in such activities being undertaken in the industry while some will find it very difficult to be successful because of their inability to effectively compete in the global market. This was the hypothetical case of the NITEL in Nigeria before the industry was deregulated in 1999. However, company’s resources, capabilities and strategies, remain the strongest determinant of success or failure as opined by Rumelt (1991). The reason behind this is that, some companies still manage to thrive even in a very hostile and highly competitive industry where the average level of profitability is low. This success is mostly and largely due to the fact that such company’s resources, capabilities and strategies have enabled it to achieve a low-cost position and build customer loyalty. In contrast, poor companies equally in some very profitable industries; may not perform to expectation although which largely may be due to their lack of focused vision and mission statements, ineffective usage of resources, non-capabilities and lack of productive and effective strategies; an example which NITEL was before the deregulation of 1999.

Hitt and Ireland (1999) equally opine that most firms face external environments that are highly turbulent, complex and global-conditions that make interpreting them increasingly difficult. However, they say, the important objective of studying the general environment is identifying opportunities and threats. While opportunity is a condition in the general environment that if exploited, will help a company to achieve strategic competitiveness, threat on the other hand, is a condition in the general environment that may hinder a company’s efforts to achieve strategic competitiveness. For example, Karlgaard (1999) strongly opines that, the fact that 1 billion of world’s total population of 6 billion has cheap access to a telephone is a huge opportunity for global telecommunication companies. Like a child’s play, this assertion has proven to be very right and accurate given the great development in the today’s Nigerian telecommunication market. Greater opportunities have been widely opened to be harnessed by global telecommunication companies in Africa. Hitt and Ireland (1999) further articulate that in embarking on external environmental analysis, key components like scanning, monitoring, forecasting and assessing must be put in place to enhance effective analysis.

The Global System for Mobile-Telecommunications (GSM) came into existence in Nigeria because of the inability of NITEL to meet the telecommunications need of the country. This singular reason prompted the policy and agitations for the deregulation of the telecommunications sector in Nigeria. Telecommunications facilities were first established in Nigeria in 1886 by the colonial administration through the introduction of public telegraph services linking Lagos by submarine cable along the west coast of Africa to Ghana, Sierra-Leone, Gambia and England. [RDC, AIAE, and UNILAG consult 2006]. There was no significant improvement or development until between 1960 and 1985 when the telecommunication sector consisted of the Department of Post and Telecommunications (P&T) in charge of internal network and another limited liability company; Nigerian External Telecommunications (NET) Limited in charge of external telecommunications service.
Earlier before NITEL was formed in 1985, attempts were made to privatize the Nigerian Telecommunications sector by the then military government of General Badamosi Babangida which led to the promulgation of Decree No. 75 of 1992 to establish the Nigerian Communications Commission (NCC) to regulate the telecommunications services nationwide at affordable prices. The broad business purpose of NCC as derivable from the enabling Decree 75 of 1992 was to facilitate private sector participation in telecommunications service delivery, coordinate and regulate the activities of the operators to ensure consistency in availability of service delivery and fair pricing (NCC, Final Report, 2006). As a matter of fact, NCC was a shadow of itself under the military era and its ability to supervise the telecommunication sector was incapacitated especially when NITEL was formulated to be fully owned by the government without any specific vision and mission statement. Besides, the regulatory framework expected of NCC was hampered because of the fact that only NITEL was significantly operating telecommunications services in Nigeria. There was no significant improvement until January 2001 under the Olusegun Obasanjo administration, which successfully auctioned three (3) GSM licences for $285 million each for (a) Communication Investments Limited; (b) Econet Wireless Nigeria Limited; (c) MTN Nigeria Communication Limited and further reserved license for NITEL. Inability of NITEL to meet the telecommunications needs of the country necessitated the Government of Olusegun Obasanjo to initiate the process of deregulating the sector. This equally led to the National Policy on Telecommunications being launched in September 2000 “to achieve the modernization and rapid expansion of the telecommunications networks and services to enhance national economic and social development in Nigeria”.

The place and significance of telecommunication in any society are vital for the improvement of the standard of living of the society. The provision of these essential services in Nigeria, before the advent of GSM in 2001, was very poor (Nigeria teledensity then was 0.4). Some 25 years (1984) after independence, installed telephone switching capacity was still about 200,000 lines. However, with the introduction of GSM, it rapidly rose to about 117 million active lines in March 2013; a teledensity of 83.29 (NCC Industry Statistics, 2013). There is no doubt that the dismal failure of NITEL became noticeable when effective competition began in the telecommunications industry. Overtime, AIRTEL that started as ECONET had to bow down to intense competition when Globacom came into the industry as the second National carrier to engage in many consolidation strategies that gave birth to Vodacom, V-mobile, Celtel, Zain and finally AIRTEL. Hence Nigerian firms will benefit from an empirical study of this nature on competitive strategy to evaluate and assess how a firm can actually create and sustain a competitive advantage and implement broad generic strategies in its industry for competition naturally engenders strategizing (Oghojafor, 1999). The study provides a compact structure for the understanding of the interplay and competitive/competitors behaviour in the telecommunication industry and how this has translated into a competitive advantage. The justification of this empirical work lies in its intension and strong motivation to expose the gap that has been in existence between organization that have taken to the adoption of strategic management process and the ones that have not; by drawing example from the new emerging telecommunication giant operators in contrast with similarly organization in the industry that has not been given to building effective strategies for implementation to achieve competitive advantage (i.e., NITEL). It was against this background that this study was conceived.
The Study’s Objectives
The objectives of this study were to:

1. measure the extent of adoption and application of strategic management process in the GSM sector and the resultant effect on the aggregate performance of the GSM service providers;
2. evaluate the extent to which organizational vision, mission and objectives were accomplished;
3. measure the impact of environmental factors on GSM business performance;
4. determine the level of core competencies and competitive advantage derivable by each of the firms with the implementation of strategic management;
5. measure impact of strategy implementation on firms performance; and
6. evaluate if the strategy formulated and implemented has led to customer satisfaction.

Literature Review
Strategic management process application can serve as a basic tool of overcoming business hurdles despite the dynamic nature of the business environment. Therefore, this research study was embarked upon to delve into the worth of strategic management as an enhanced tool to turn around the moribund story of business failures in Nigeria especially in the telecommunication industry. The recent surge and sharp increase in the performances of telecommunications providers that have led to a reasonable level of success within 12 years compared with the 115 years of telecommunications existence with dismal failure (i.e., 1886–2001; compared to 2001–2012) calls for empirical investigation. Strategic management of any organization as “an integrated and coordinated set of commitments and actions designed to exploit core competencies and gain a competitive advantage (Hitt and Ireland, 1999). Strategic management includes understanding the strategic position of an organization, strategic choices for future and managing strategy in action over a long term by achieving advantage in a changing environment through configuration of resources and competences with the aim of fulfilling stakeholders’ expectation.

The goals of achieving strategic competitiveness that will deliver desired results and expectations are very challenging and not easily come-by. According to Oghojafor (2002), strategy is a plan or an intention designed by the owner to achieve a particular vision and mission. Strategic management is purely concerned with the future direction and survival of the organization (Argenti, 1969; Anderson, 1995). Since change is constant and ever imminent, every organization that has the intention of achieving outstanding success must understand how to look beyond the present. Understanding a company’s best strategy for effectiveness and efficiency is not easy, it calls for basic understanding of the challenges and opportunities available in various environments’ in which such organization operates, hence the need for appropriate vision, mission, environmental scanning and strategy formulation and implementation to ensure firm’s optimal performance.

STRATEGIC VISION
Evans and Lindsay (2002) argue that, an organization must define its values, mission and vision of the future to provide long-term direction for its management and employees. They
therefore opine that, vision describes where the organization is headed and what it intends to be; it is a statement of the future that would not happen by itself but articulates the basic characteristics that shape the organization’s strategy. Thompson et al. (2006) opine that, vision is a road map showing the route a company intends to take in developing and strengthening its business. It paints a picture of a company’s destination and provides a rationale for going there. Moreover, Collins and Porras (1996) suggested that, a well-conceived vision consists of two major components called; “core ideology” and “envisioned future”. While the core ideology entails the endearing character of an organization that remains unchangeable as it passes through the vicissitudes of vectors like technological changes, competitions or management fads; the envisioned future consists of two components of 10–30 years audacious goal and a vivid description of what it will be like to achieve that goal. The core ideology equally rests on the core values (the essential and ensuring tenets of an organization) and core purposes which entail an organization’s reason for existence.

For example, British Telecoms (BT) is one of the world’s leading providers of communication solutions and services operating in about 170 countries of the world. Its vision reads “our vision is to be dedicated to helping customers thrive in achieving world” (British Telecom, 2007). In Nigeria, MTN vision is “to lead the delivery of a bold, new, digital world to our customers”, while that of AIRTEL is “to be a distinguished and reputable Corporate Social Responsibility entity regionally and globally, and to position the company to be a true partner in the development of the community, especially with regard to education in the communities we operate in”.

However, Parikh and Neubauer (1993) pointed out some basic benefits for an organization that has a vision among which are; inspiration, shared sense of purpose, originality uniqueness making sense in the market place in practicability, ability for risk taking and experimentation, long-term thinking, integrity, genuity and benefit for people.

**Strategic Mission**

The mission of an organization should follow and briefly summarize the reasoning and value that are behind them. Johnson et al. (2008) opine that, mission is an overriding purpose in line with the values or expectations of stakeholders. A mission of an organization is what an organization is and why it exists. They explained that, mission is a general expression of the overall purpose of the organization which ideally is in line with the values and expectation of major stakeholders and concerned with the scope and boundaries of the organization. Thompson et al (2006) attempt to provide a clear-cut dichotomy between vision and mission when they opine that “whereas the chief concern of a strategic vision is with “where we are going and why” a company mission statement usually deals with a company’s present business scope and purpose “who we are, what we do, and why we are here? Summarily, mission statement is expected to answer the question ‘what is our business?’” while vision statement answers the question ‘what do we want to become? For example, MTN mission statement is “to make our customers live a whole lot brighter”, and AIRTEL mission is “to produce an overall positive impact on society and our stakeholders, presently and for the future, by investment in communities to help fulfill their potential as well as their responsibilities to family and especially through education of underprivileged children”. It therefore implies that, developing a mission statement is a useful starting point for strategy statement.
Strategy Analysis and Choices

Strategic analysis involves the assessment of the organizations’ operating environment (external and internal) and the influences on their success. As a matter of fact, strategic management has a major principle of understanding the position of the organization now, where it is going and how to get there by conducting external and internal audit known as Strength, Weakness, Opportunity and Threat (SWOT) analysis. However, Johnson et al. (2008) opine that SWOT summarizes the key issues from the business environment and the strategic capabilities of an organization that are most likely to impact on strategy development.

External analysis majors in diagnosing the general industry and competitors environments in a bid to enhance effective decision making by the organization. Thompson et al. (2005) opine that all companies operate in a macro environment shaped by influences emanating from the economy at large, population demographics, societal values and lifestyles, governmental legislation and regulation, technological factors, industry and competitors arena where the organization operate. Whenever a company’s macro environment is mentioned, it refers to all the relevant factors and influences outside the company’s boundaries which are important enough to have bearing on the company’s decision and objectives. The implication of the above is that, for a company to succeed it must either fit its strategy to the industry environment where it operates or be able to reshape the industry environment to its advantage through its chosen strategy.

The industry environment is the set of factors that directly influences a firm and its competitive actions and competitive responses which revolve around the threat of new entrants, the power of supplier, power of buyers, threat of product substitute and the intensity of rivalry among competitors (Porter 1985, 1987, 1996, 1998). The competitors’ environment represents the final part of the external environment that focuses on each company against whom a firm directly competes. This strongly involves competitor intelligence which is the set of data and information the firm gathers to better understand and better anticipate competitors’ objectives, strategic assumption and capabilities (Barney, 1991, 1995).

METHODOLOGY

The population of the study was the totality of all GSM players in the Nigeria Telecommunication industry comprising MTN, AIRTEL, GLOBACOM, NITEL/MTEL and ETISALAT. Following the NCC categorization, this study only considered the two oldest and biggest providers in the GSM telecommunication market (MTN and AIRTEL).

The questionnaires were designed and structured into two parts. Part 1 comprised of the bio data information of the respondents and basic information that will allow the author to place each of the respondents into the stratum it belongs. Section 2 of the questionnaire comprised a well-structured close ended questionnaire that used the Likert scale of 1–5 to rate the responses provided to each of the questions. This section was further divided into eight sub groups namely; strategic intent, environmental factors assessment, strategic management planning, core competencies/competitive advantage, customer satisfaction, choices of strategy, international level strategy and conclusion. The questions were designed to obtain data about the independent variable; strategic management and two of the dependent variables; competitive advantage and position.
occupied by each of the firms in the industry. 100 copies of this questionnaire were administered in each of the Head offices of MTN and AIRTEL in Lagos. From the administered questionnaire in MTN, only 53 copies representing 53% were recovered while 66% were recovered in AIRTEL representing 60% overall success.

Two major variables were important in this study; the independent variables known as homogeneous variables whose values are determined outside the experimented system and the dependent variables also known as endogenous variable whose values are determined within the experimental design. In this study, the strategic management elements were the independent variables (x) while organizational performance and core competencies formed the dependent variables (y) to define the following variables:

**Performance Variables (Dependent)**
- Core competencies/Competitive advantage (CA)
- Earnings before interest, tax depreciation and adjustments (EBITDA)
- Total revenue (TR)
- Total asset (TA)
- Subscriber base (SB)

**Strategic Management Variables (Independent)**
- Strategic vision (SV)
- Strategic mission (SM)
- Strategic planning (SP)
- Environmental factors (EVF)
- Choice of strategy (CST)

However, since all these independent variables are in their qualitative terms, efforts were made to quantify them through the use of scaling; as such, Likert 5-point scaling method was used to rate questions surrounding the availability, efficiency and impact of the elements of the strategic management (independent variables) on performance (dependent variables).

**DATA ANALYSIS**

Descriptive statistics tools of Frequency distribution, Mean distribution, Group statistics, Cross tabulation, Independent Sample test, t-test and Logit Model of Qualitative Response Regression were employed to analyze the primary data with the use of E-view 6.1 and SSPS 16.

To measure organizational performance from the qualitative data, Competitive advantage and classified position of the two players in terms of their ranking were used as dependent variables. The mean values of choice of strategies, environmental factors, strategic mission, strategic planning and strategic vision were the determinant variables (independent variables). In the telecommunication industry earnings before interest and tax (EBIT) are made up of excess revenue over cost of generating GSM services to the customers; which includes revenue from interconnectivity rate, revenue from services provided to organized institution, and so on. Total assets is an
Company Vision, Mission, Environment and Strategies

S.A. Adebisi et al.

indication of size of a GSM provider and describes its business performance pattern over the year in terms of strength, competence and core competences. Asset equally determines to what extent the organization can make further profit through efficient usage of the acquired profit to generate revenue that can enhance good profit.

The number or size of the subscribers will go a long way to determine the market share that a GSM service provider controls from the aggregate market which is equally an indication of profit potential if it has many of them or loss potential if all it has as subscribers, are not sufficient to operate to full capacity the network services it generates. In analyzing the collected data, Percentage, “T-test, and Cross tabulation”, Independent sample t-test, t-test for equality of means and Levene’s test for Equality of variances were used to measure subscribers level of satisfaction of the three GSM operators’ services.

Primary and secondary data were collected from the two GSM service providers in Nigeria namely; MTN and AIRTEL (previously ECONET) who were the first GSM service providers in Nigeria after telecommunication sector deregulation’s policy. Two hundred (200) copies of a questionnaire (representing 40% of the total population of management staff in Nigeria were administered equally on the service providers using cluster sampling technique to stratify the firms into top, middle and lower levels of management in 7 departments of the firms. However, the study administered the questionnaires on different categories of management levels in the selected organizations at the Head offices of the sampled firms. Clustered or Area sampling Technique (a probability technique) was used. The study administered 200 questionnaires on the staff of the sampled firms from the population of about 250 staff at the Head office of AIRTEL and about 300 in MTN. Each of the two telecommunication companies was further stratified into none-overlapping sub population (i.e., strata) in the order of: Top management, middle management and lower management. Since there are many departments in each of the companies, further strata were established on departmental basis to ensure that, each department is adequately represented in multi-stage sampling procedure. These departments were established under the following subtitled: Engineering, Marketing, Customer billing and customers care department, Licensing and legal services department, Corporate planning and Business Development Department, Human Resource and Administration (including Finance and IT).

The study then, randomly selected a sample within each stratum, ensuring that the various levels of the cluster sampling (i.e., Top management, middle management and lower management) are adequately represented without any bias. From the intended sample of 200, this study expected 20% to cover the Top management cluster that is, 40 top management executives with equal distribution of 20 top management executives per each of the GSM service-providers. 30% of the sampled population is expected to represent the middle management cluster thereby providing 30 respondents at this level from each of the three companies of study, (totaling 60 respondents in all from middle management level). Finally, the lower management is supposed to produce 50% representation thereby giving the study the opportunity of systematically selecting 50 respondents per company; totaling 100 respondents aggregate from the lower management. The study’s justification for this is because; application of strategic management in any organization primarily fulfils the concept of management by objectives (MBO). It is all-involving. The sampled population is thinner at the top management level because the higher the managerial posts in an organization’s hierarchical model, the less the population of the occupant of such posts, hence the need to draw
larger samples from the staff managers. The copies of the questionnaire were randomly administered among these various strata identified without any bias.

A 5-point Likert Scale was used to measure strategic management application. Furthermore, 396 copies of a questionnaire were administered on 66 subscribers of the service providers in each of the six South-west state capitals in Nigeria comprising; Lagos, Ogun, Oyo, Osun, Ondo and Ekiti to ensure regional spread in this part of Nigeria using quota and convenience sampling techniques.

**FINDINGS**

![Figure 1](image1.png)

**Bar Chart Showing Employees Knowledge of Firms Vision and Mission**  
*Source: Authors’ computations (2012)*

![Figure 2](image2.png)

**Bar Chart Comparing the Respondents Means on Environmental Factors**  
*Source: Authors’ computations (2012)*
Figure 3
Bar Chart Comparing the Respondents Means of Strategic Choices

Source: Authors’ computations (2012)

Figure 4
Bar Chart Comparing the Respondents Means on Strategic Planning

Source: Authors’ computations (2012)
Figure 5
Bar Chart Comparing the Respondents Means on Core Competent Factors

Source: Authors’ computations (2012)

Figure 6
Bar Chart Comparing the Respondents Means of Strategic Choices

Source: Authors’ computations (2012)
DISCUSSION OF RESULTS

In this study, Figure 1 showed the ability of respondents of the two sampled GSM firms in reciting their organizational vision and mission statements. 83% and 71.7% of the MTN and 73.3% and 68.9% of AIRTEL sampled staff were able to recite their organizations’ vision and mission correctly. This signifies that, the members of these firms understand the directional focus of their firms. Figure 2 presents the environmental factors assessment of MTN/AIRTEL and the mean responses show that the two firms were being negatively affected by the environmental factors. Surprisingly, the mean responses of the firms on performance showed a result of 4.26 for MTN and 3.95 for AIRTEL meaning that, their abilities to cope with these factors through implementation of various strategies were responsible for an improved performance even in the face of threatening environmental factors. Similarly, Figures 3 and 4 indicated the various blend of strategies by the two firms in the telecommunication industry. From the mean distributions, it could be clearly noted that both firms judiciously blended strategies together with their competencies to pursue better performance. Tables 6 and 7 revealed the understanding of both firms in formulating and selecting their strategic choices and the mode of implementations. All these were clear evidences of the application of strategic management in these sampled firms. The polychotomous or multiple-category qualitative response regression model was used to conduct further tests on the study. This becomes appropriate, when the response variable or regression can have more than two outcomes in which these outcomes are ordinal in nature (on Likert scale) which allows for the use of multistage normal and logistic probability distributions. The measurements were meant to determine the impact that application of strategic management has on the performance indicators of the GSM firms. Competitive Advantage and classified Strategic Position of the two players in
terms of their ranking were used as dependent variables. The test was carried out at statistical significance of 99% confident limits.

**The Logit Model of Qualitative Response Regression Test.**

Hence we have:

$$PST = f(CST + EVF + SM + SP + SV) = \frac{e^{(\beta_o + \beta_1cst + \beta_2evf + \beta_3sm + \beta_4sp + \beta_5sv)}}{1 + e^{(\beta_o + \beta_1cst + \beta_2evf + \beta_3sm + \beta_4sp + \beta_5sv)}}$$

This Logit model can be further re-written as:

$$L_1 = \ln P = \beta_o + \beta_1cst + \beta_2evf + \beta_3sm + \beta_4sp + \beta_5sv$$

where:

$L_1$ = Logarithm

$\ln$ = Antilogarithm

$\beta$ are unknown parameters and

$PST = f(CST + EVF + SM + SP + SV)$ are denoted by;

$PST$ = position in the industry

$CST$ = choice of strategy

$EVF$ = environmental factors

$SM$ = strategic mission

$SV$ = strategic vision

CA was equally used as a measure of performance to test interaction of the independent variable and the overall significance of our measurement.

E-View 6.1 statistical package was used to run this test to establish its statistical significance at 99%, 95% and 90% confident limits respectively. The overall result is said to be significant if found within the region of the specified confidence limit meaning that; strategic management has positive impact and role to play in organizational performance. This model was used to analyze the significance of strategic management to the indices of organizational performance in each firm of study; (MTN and AIRTEL). It was equally used to evaluate the practices of strategic management in the industry.

The findings from the above Table 1 showed that:

1. SV (6.218165), EVF (-1.896582) and CST (1.339126) at 99% confidence limit, are factors that determined the GSM service providers’ performance
2. that, performances of both firms were greatly influenced by their strategic choices among which were diversifications, consolidations, merger and acquisitions, product development, Total Quality Management (TQM) and market penetration strategies.
Multiple Regression Test

Five years financial data of the two firms from 2004–2008 were used in conducting this analysis.

The regression model used to analyze the data for MTN is;

\[ \text{Logmtn (EBT)} = \beta_0 + \beta_1 \text{logmtn (SB)} + \beta_2 \text{logmtn (TR)} + \beta_3 \text{mtn(MS)} \]

Where;

\[ \text{Log} (\text{EBT}) = \text{Earnings before interest, tax, depreciation (dependent variables and as Prox-} \]
\[ \text{ies for Competitive advantage and Strategic position in the industry))} \]
\[ \beta_0 \beta_1 \beta_2 \text{ and } \beta_3 \text{ are unknown parameters (sampled statistics)} \]
\[ \text{log (SB)} = \text{Subscriber base (independent variable)} \]
\[ \text{log (TR)} = \text{Total Revenue (independent variable)} \]
\[ \text{MS} = \text{Market share (independent variable)} \]
\[ \text{Log} = \text{Logarithm} \]

Also introducing total asset as a measure of determinant; we have;

\[ \text{Logmtn (EBT)} = \beta_0 + \beta_1 \text{logmtn (SB)} + \beta_2 \text{logmtn (TA)} + \beta_3 \text{mtn(MS)} \]

\[ \text{TA} = \text{Total asset} \]
For the model becomes:

\[ \text{Log (EBT)} = \beta_0 + \beta_1 \text{log (SB)} + \beta_2 \text{log (TA)} + \beta_3 \text{(MS)} \]

The result showed that, market share (3.029), subscribers’ base (0.153) and total revenue (0.874) for MTN; and coefficients of 19.590, 4.750, 8.581 respectively at 99% confidence limit showed that, firms’ strategic positions and core competencies have positive relationships with EBIT. This measures financial performance. It was found out that MS, SB and TR which are elements that determine a company’s strategic position and core competencies all have positive relationships with EBIT and specifically, TR is statistically significant at 0.01 level of significance. This means that, a unit increase in TR will cause 0.080 increase in EBIT.

The \( R^2 \) value of 0.99 simply means that 99% of variations in EBIT are being accounted for by the variations in the independent variables.

It was found out in Table 3 that, MS and TA which are elements that determine a company’s strategic position and core competencies have positive relationships with EBIT and equally statistically significant at 0.01 level of significance. SB has a negative relationship with EBIT which is presumed to be a statistical error. It therefore means that, a unit increase in TA and MS will cause 8.581 and 19.590 increases in EBIT. The \( R^2 \) value 0.967 simply means that 96.7% of variation in EBIT is being accounted for by the variations in the independent variables. Therefore, it can be concluded that the strategic positions and core competencies of the service providers have positive relationship with their EBIT.

**Customer Satisfaction Analysis**

**One Sample t-test** at 95% confidence interval was used to test the means differences of the responses collated from the respondents across the six states of the South-Western Nigeria.
Specifically, the study asked 22 questions to determine the satisfaction level of the subscribers vis-à-vis the services provided by MTN and AIRTEL.

The test of significance was used to verify the truth or falsity of the hypothesis specifically formulated for this section about customers’ satisfaction. The output of this result as presented revealed that, t-test scores were negative and the means scores tabulation of the respondents were statistically significant at 0.05 significance level. This means that, there is a negative relationship between the derivative satisfaction by customers and the quality of services provided by the GSM firms. The study revealed that, the subscribers are not deriving the desired satisfaction from the services of the sampled firms. The study went further to test if there are differences between the means of the two sampled firms to know whether subscribers of one firm is better satisfied than the other; Levene’s Test for Equality variances and Independent samples test were used to conduct this test. The result showed that the variances of the differences of the means were not statistically significant at 0.05 significance level. This result only indicates that, similar factors are responsible for the dissatisfaction suffered by the subscribers of the two GSM firms.

However, the satisfaction tests on call drops (−0.064) and service failures (−0.062) indicated a negative relationship with customer satisfaction at 95% confidence limit which runs contrary to the principle of strategic management implementation.

Contemporary studies on strategic management have shown abundant evidence on the importance of this type of management style in an organization’s performance. Bracker et al. (1988) concluded in their study that, firms practicing formal strategic planning and management outperform those who do not. Similarly, Koontz and Weihrich (1993) equally opined that strategic management is the way an organization will pursue its goals. Other scholars who supported the application of strategic management are: Ansoff (1988) and Filho (1982) all advocated the adoption of strategic planning in solving organization’s problems. In the work of Armas (1991) and Miller (1997) they concluded that there is a relationship between better performance and formal

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>EBIT(as Proxy for PST &amp; CA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>C</td>
<td>−21.958</td>
</tr>
<tr>
<td>Std. Error</td>
<td>(2.855)</td>
</tr>
<tr>
<td>MS</td>
<td>19.590</td>
</tr>
<tr>
<td>Std. Error</td>
<td>(3.089)</td>
</tr>
<tr>
<td>LOG(SB)</td>
<td>−4.745</td>
</tr>
<tr>
<td>Std. Error</td>
<td>(0.654)</td>
</tr>
<tr>
<td>Log(TR)</td>
<td>8.581</td>
</tr>
<tr>
<td>Std. Error</td>
<td>(1.041)</td>
</tr>
<tr>
<td>R²</td>
<td>0.967</td>
</tr>
</tbody>
</table>

Table 3
AIRTEL OLS Out-Put (EBIT as Dependent Variable)
Source: Authors’ computations (2012)
planning on the ground that, strategic management helps managers to become better decision makers and improve corporate communication. In the popular empirical investigation conducted by Greenley (1994) on the review of 29 relevant and published empirical studies of strategic planning and performance, he classified the results of the studies into three groups comprising of 9 studies in “group I” where researchers concluded that there is no relationship between strategic planning and company performance; “group II” comprising 11 studies that concluded that there is a strong relationship between strategic planning and company performance and “group III” comprising of 9 studies that concluded that companies with strategic planning out-perform companies without strategic planning. Therefore, simple analysis of these empirical studies show that, not less than 20 studies concluded in favor of strategic management as having tangible relationship with organizational performance. However, these studies were not without some methodological flaws that questioned the validity of their various conclusions. The present study is in tandem with the outcomes of Greenley (1994) for it became evident that the new telecommunication companies (AIRTEL and MTN) that came into the sector barely 10 years after telecoms has existed for more than 100 years in Nigeria without significant impact are performing well because of their application of strategic management principles.

CONCLUSION

The study concluded that the various findings of the study pointed to strategic management as a unique tool that has the ability to chat a new course for business and organizational growth. The study discovered that, the sampled firms have adopted and applied strategic management elements significantly in all their business activities. Both firms spelt out their visions, missions, objectives and core values and religiously ensure the pursuant of these strategic intents in a manner that will enhance improved organizational performance. This was evident from the findings of the study (and in agreement with the findings of Ansof, 1988; Armas, 1991; Filho, 1982; Greenley, 1994; Miller, 1997; Oghojafor, 2013). Part of the discovery of this study was that, the strategic management practice of the sampled firms have been responsible for the 12 years distinctive performance that has given birth to about 117 million active lines as at February 2013 (NCC, 2013) compared to the 115 years of inactive telecommunication existence that only produced a meagre figure of about 500,000 active lines in Nigeria. The numerous results of the analysis pointed to the fact that, whenever strategic management is applied, the end result is an improved organizational performance that will enhance the attainment of core competencies/competitive advantage and effective competitive position among the industrial rivals which will inadvertently translate into more earnings for the firms that adopt the process.

However, it was discovered in the study that, subscribers (customers) have not significantly experienced sufficient satisfaction compared to the magnitude of the successes already recorded by the sampled firms. Based on this conclusion the study then recommended that:

1. service providers should concentrate efforts on addressing the causes of dissatisfaction arising from call drops, service failures, poor customer services and interconnectivity problems since strategic management application and implementation is expected to enhance customer satisfaction.
2. existing firms should concentrate more on maintenance strategy rather than expansion strategy so that services qualities are improved and call rate (price) slashed down to enhance more talk by the subscribers which has the attribute of delivering more value if economy of scale is achieved at end of the day.

3. expansion strategy can therefore be pursued in some African countries where telecommunication is just growing.

4. firms strategic intents should be upheld and refurbished from time to time to meet new and emerging challenges that can enhance quality deliveries by its staff at all time.

5. since the adoption and application of strategic management has contributed immensely to the performance of the two firms, it should serve as a basis for strategy development in other to gain sustainable competitive advantage for other firms in Nigeria.

REFERENCES


