The Effect of Strategic Orientations Factors to Achieving Sustainable Competitive Advantage

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ABSTRACT

Over the past few years, industrial organizations are increasingly realizing the significance of customers’ service; one of the key challenges for them is how to improve the strategic orientations factors. This paper adapts the quantitative research approach by using the survey strategy, which is conducted by a questionnaire collected from 218 respondents working in seventy-two (72) industrial companies that listed and traded in Amman stock exchange under the industrial sector. The researcher uses the SPSS as an analysis technique to test all hypotheses. The findings of the study show that the three strategic orientations factors (customer, competitor, and technology) have a significant impact on the sustainable competitive advantage. Hopefully, these findings will shed some light for the Information Technology (IT) Industry allowing them to integrate strategic orientations factors (customer, competitor, and technology) to achieve sustainable competitive advantage.

KEYWORDS

Competitor Orientations Technology Orientations, Customer Orientations, Strategic Orientations, Sustainable Competitive Advantage

INTRODUCTION

Now a day’s in light of the information and digital based economy, organizations facing competition not only from the local market but also from the international companies either directly or indirectly, for that companies found itself under big pressure not only from the hyper competition it faces, but also from the changing customer needs and wants and short product life cycle due to the dynamic advances in technology and innovation. Whereas Jordan joined World Trade Organization in April 2000, the increased competition among national and international organizations served in highlighting the weak level of competitive advantage of many Jordanian industrial companies. Understanding how to improve and sustain the competitive advantage of Jordanian industrial companies listed in Amman stock exchange under the industrial sector is now a priority for senior managers as well as Jordan’s political leadership.

Hence, the problem of this study arose due to two points. Firstly, it was based on the gap in the previous literature in presenting sustainable competitive advantage, since as far as the researcher knew, there was no other study that addresses the subject of strategic orientations factors’ effect on achieving sustainable competitive advantage, especially one that incorporates strategic orientations Market Orientation (Customer Orientation, Competitor Orientation) and Technology Orientation toward achieving sustainable competitive advantage. Meanwhile, the other point sprang from the

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In addition, gaining sustainable competitive advantage is the main purpose of competitive strategy to improve business performance (Foon, 2010). Even differentiation strategies which pursue to create and maintain differences are subject to by imitated and erosion as technology and customer preferences substituted (Giald, 2011). In light of dynamic global market organization ability to intelligence and respond effectively to changes in the market has become imperative to creating and sustaining competitive advantage (Uosefi and Seifi, 2012).

This paper is organized as follows. In the next section, we review relevant literature; section three proposes the research model, the last segment of this paper is discussions and conclusions.

LITERATURE REVIEW

Concept of Strategic Orientations

In rapidly globalizing world, firms use different methods to achieve competitive advantage. And achieving strategic competitiveness is not easy in complex and turbulent markets, these difficulties are increased when organizations do not have a clear understanding of what affects their performance (Altindag et al., 2011). There is no accepted unified definition of strategic orientation of an organization (Hakala, 2011). And here is the definition of S.O in the literature, Strategic Orientation is the organization present and planned resource deployments and interactions that indicate how an organization will achieve its objectives or targeted performance level (Otiuno et al., 2012). Also, Zhou et al. (2005) stated that S.O is the strategic directions applied by an organization to create the proper behaviors for the continuous superior performance of the business. Strategic orientations in new product development means the set of behaviors’ and activities implemented to match innovation goals (Jeong et al., 2006). And concerned with the firms’ decisions it take to gain superior performance (Slater et al, 2006). Also, S.O is firm specific, culture-based, and complex capabilities that can be lead to competitive advantage (Zhou et al., 2005).

Meanwhile, Sorensen and Madsen (2012) define that S.O is the set of broad strategic choices applied in the pursuit of sustainable superior performance, and is a predisposition for creating the proper employee, manager, and overall organization behavior and activities for attaining superior performance. Strategic orientations are seen as values that direct and influence the activities of an organization and generate the behaviors intended to ensure its viability and performance (Hakala, 2011). Strategic orientation reflects an outward-looking view of the fit between strategic choices and environment and strategic orientation as a strategic choice should lead the way firms get, allocate, and deploy resources to generate dynamic capabilities (Zhou and Li, 2010).

Strategic Orientations Factors

There are many classifications of SO factors among the literature and researchers. To summarize all the strategic orientations factors in different fields of studies, the researcher contribute to this area by presenting the following taxonomy of SO factors see Table 1.

Sustainable Competitive Advantage

The attention started toward sustainable competitive advantage in the 80s after the exploration of the strategies, which may lead to sustainable competitive advantage by Day, 1984. This exploration and additional attention added to sustainable competitive advantage after that Michael porter introduced the generic strategies, focus, low cost, and differentiation to achieve sustainable competitive advantage (Vinayan, Jayashree, & Marthandan, 2012; Dar et al., 2011).

Meanwhile, customer expectation, globalization, change in regulation and technological advancements put organizations under pressure to search for partners with complementary capabilities
Market Orientation in Emerging Firms – Towards a More Rigorous Understanding of Entrepreneurial Marketing
www.igi-global.com/chapter/market-orientation-emerging-firms-towards/41147?camid=4v1a

Developing University-Business Cooperation through Evidence-based Management: A German Case
www.igi-global.com/article/developing-university-business-cooperation-through-evidence-based-management/173483?camid=4v1a