

COMPETITIVE POSITIONING STRATEGIES AND EMPLOYEE COMMITMENT OF FINANCIAL INSTITUTION

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Abstract

In today's dynamic business landscape, strategic positioning approaches have become essential instruments for improving organizational performance and strengthening employee commitment. This study investigated the relationship between strategic positioning approaches specifically innovation and differentiation strategies and dimensions of employee commitment, namely affective and continuance commitment, within financial institution, Nigeria. Grounded in the resource-based view theory, the study adopted a qualitative survey approach based on an extensive review of existing literature. The findings indicated a significant positive association between innovation strategy and affective commitment, as well as between differentiation strategy and continuance commitment. The study concludes that strategic positioning approaches not only enhance firms' market standing but also promote stronger emotional attachment and sustained professional commitment among employees. It is recommended that organizations institutionalize continuous innovation practices and strengthen service differentiation efforts to maintain employee loyalty and engagement. This study contributes to the existing body of knowledge in strategic management and organizational behavior by linking strategic positioning approaches with workforce retention within Nigeria's insurance industry.

Introduction

Background of the Study

In today's highly dynamic and unpredictable business environment, competitive positioning strategies have become essential tools for organizations seeking to sustain market relevance, improve performance, and retain skilled employees. In the insurance industry, especially in competitive markets such as Port Harcourt, organizations must adopt strategies that enable them to stand out from rivals while fostering employee commitment, which is critical for service quality and customer satisfaction. Competitive positioning strategies, such as innovation strategy and differentiation strategy, are not only linked to market positioning but also to the level of engagement, motivation, and loyalty employees exhibit toward their organizations (Obeidat et al., 2022).

Innovation strategy involves the deliberate application of new ideas, processes, or products to create value for customers and improve operational efficiency. For insurance firms, innovation may take the form of digital platforms for claims processing, mobile applications for customer service, or the development of tailored insurance products for specific market segments. Implementing innovation strategy can enhance employee morale, as it often requires involving staff in creative problem-solving, continuous learning, and collaborative projects (Zuraik & Kelly, 2019; Uzonwanne & Ibe, 2021). Employees who actively participate in innovative projects are likely to develop stronger affective commitment, driven by their emotional attachment to an organization that values their contributions.

Differentiation strategy focuses on offering unique products or services that provide superior value compared to competitors. In the insurance sector, differentiation can be achieved through exceptional customer service, customized insurance packages, flexible payment plans, or brand reputation built on trust and reliability (Kotabe & Kothari, 2020). By pursuing a differentiation strategy, insurance firms can create a sense of pride among employees, reinforcing continuance

commitment as workers recognize the career stability and growth opportunities in a reputable and competitive organization. This strategy often demands a higher level of skill and professional knowledge from employees, which can be met through training and development programs, further influencing their commitment levels.

Employee commitment plays a pivotal role in the success of these strategies. Affective commitment reflects employees' emotional attachment and identification with organizational goals, while continuance commitment is based on the perceived costs of leaving the organization (Meyer et al., 2022). For financial institution, committed employees are more likely to deliver exceptional customer service, maintain high ethical standards, and contribute to innovation and differentiation efforts. In a service-driven industry where customer trust is paramount, high employee commitment can translate directly into customer loyalty and market competitiveness (Okoye & Nwachukwu, 2021). The Nigerian insurance industry, particularly in Port Harcourt, faces unique challenges such as low insurance penetration, high competition, changing regulatory frameworks, and evolving customer expectations. These challenges necessitate strategic approaches that balance competitive positioning with internal workforce stability. When innovation and differentiation strategies are effectively implemented, they can not only enhance market share but also strengthen the commitment of employees, ensuring that strategic objectives are supported by a motivated and stable workforce (Chukwu et al., 2023). It is in the light of the above that this study seeks to provide a theoretical insight on competitive positioning strategies and employee commitment of financial institution.

Statement of the Problem

In today's dynamic and highly competitive business environment, the insurance industry in Nigeria, particularly in Port Harcourt, faces significant challenges in sustaining market share, attracting clients, and retaining a committed workforce. Competitive positioning strategies such as innovation and differentiation have been widely acknowledged as essential tools for achieving organizational success (Obioma & Nwokah, 2022). Innovation strategies enable firms to develop new products, adopt advanced technologies, and improve service delivery, while differentiation strategies help to create unique value propositions that distinguish a company from its competitors (Okoro & Akinlabi, 2021). However, despite the theoretical benefits of these strategies, many financial institution appear to struggle with their effective implementation, resulting in poor service delivery, limited product variety, and low customer satisfaction.

The success of these competitive positioning strategies is closely tied to the commitment of employees, as they are the ones who drive innovation and deliver differentiated services. Employee commitment especially affective and continuance commitment is critical for enhancing performance, reducing turnover, and improving customer experiences (Eze & Chukwu, 2023). Affective commitment relates to employees' emotional attachment and identification with the organization, while continuance commitment reflects their perceived costs of leaving. Unfortunately, anecdotal evidence suggests that employee commitment levels in many insurance firms are low, manifesting in high turnover rates, minimal motivation to innovate, and resistance to change.

Several factors contribute to this situation. Poor alignment between strategic initiatives and employee needs, lack of incentives for innovation, inadequate professional development opportunities, and weak internal communication structures have been observed. Although prior studies (e.g., Adegbuyi et al., 2020; Opara & Onuoha, 2022) have examined competitive positioning strategies in Nigerian organizations, there is limited empirical evidence focusing on the direct relationship between innovation and differentiation strategies and the two dimensions of employee commitment in the context of the insurance industry in Port Harcourt. This gap in the literature hinders managers' ability to design effective strategic approaches that foster both competitive advantage and a committed workforce. Therefore, it becomes pertinent to investigate how

competitive positioning strategies specifically innovation and differentiation affect employee commitment, with a view to providing actionable recommendations for improving organizational performance and employee retention in financial institution.

Conceptual framework

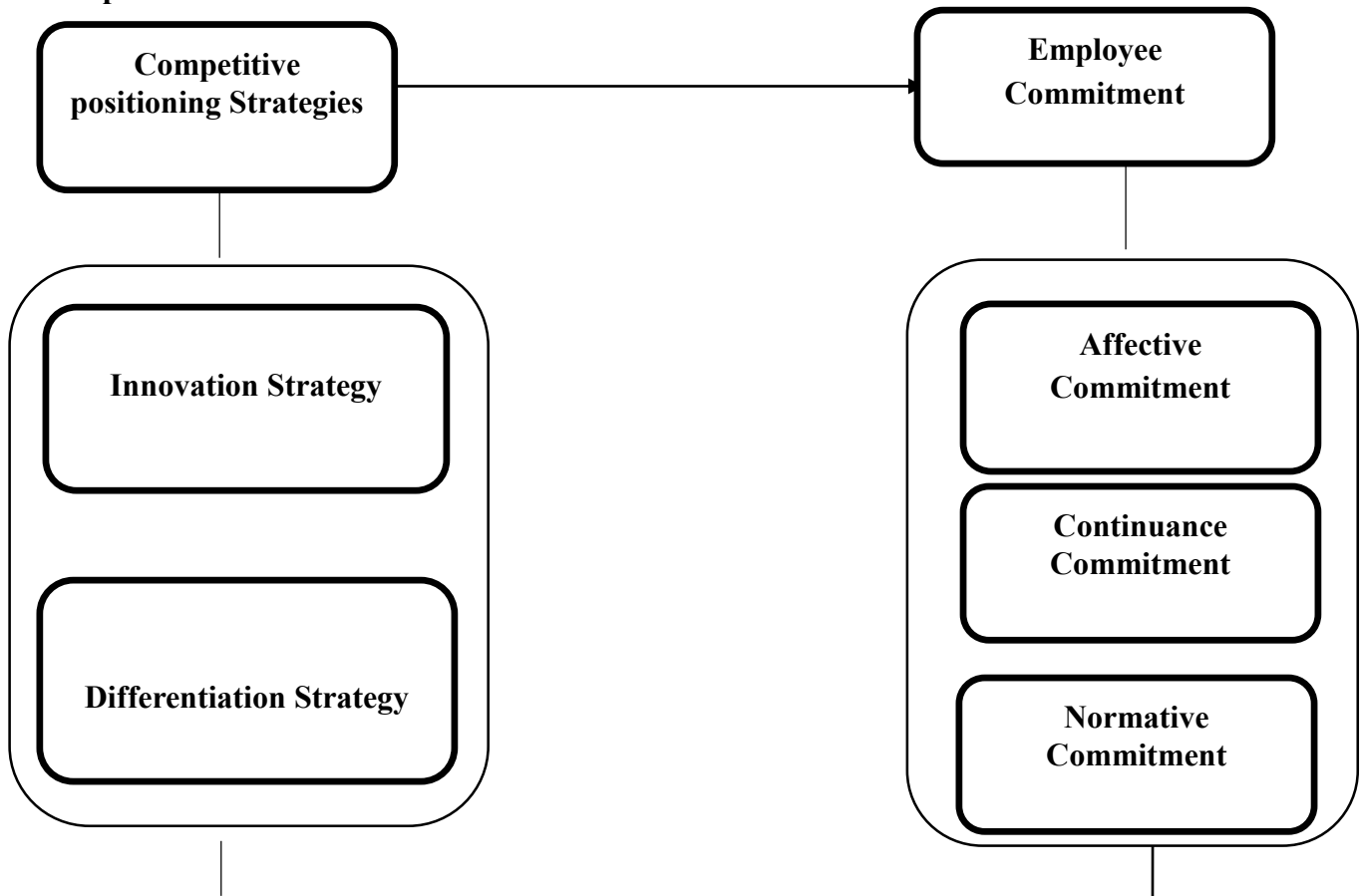


Figure 1: showing conceptual framework on Competitive positioning strategies and employee commitment of financial institution

Source: Adegbite, & Aremu, (2018); Meyer, et al., (2022).

Aim and Objectives of the Study

The aim of this study is to determine the relationship between competitive positioning strategies and employee commitment of financial institution. The specific objectives are to:

- 1) determine the relationship between Innovation Strategy and Affective Commitment of financial institution;
- 2) determine the relationship between Innovation Strategy and Continuance Commitment of financial institution;
- 3) determine the relationship between Innovation Strategy and normative Commitment of financial institution;
- 4) determine the relationship between differentiation Strategy and Affective Commitment of financial institution;
- 5) determine the relationship between differentiation Strategy and Continuance Commitment of financial institution and

- 6) determine the relationship between differentiation Strategy and normative Commitment of financial institution.

Significance of the Study

This study is significant as it provides valuable insights into how competitive positioning strategies specifically innovation and differentiation impact employee commitment in the insurance sector in Port Harcourt. In an era where customer demands are rapidly evolving and competition is intensifying, understanding the interplay between strategic initiatives and employee behavior is crucial for sustaining competitive advantage (Obioma & Nwokah, 2022). The findings of this research will contribute to existing knowledge by filling a gap in the literature on the relationship between competitive positioning strategies and the two dimensions of employee commitment affective and continuance within the Nigerian insurance industry, an area that has received limited empirical attention (Opara & Onuoha, 2022). For insurance managers and decision-makers, the study will serve as a practical guide to formulating and implementing strategies that not only differentiate their services and promote innovation but also strengthen employee loyalty, reduce turnover rates, and enhance service delivery. By highlighting the role of employee commitment in achieving strategic goals, managers will be better equipped to design policies that align organizational objectives with the aspirations of their workforce (Eze & Chukwu, 2023).

For employees, the study will underscore the importance of their role in implementing innovation and differentiation strategies, fostering a greater sense of belonging and purpose. Understanding how these strategies influence their work experience and job satisfaction could motivate employees to actively contribute to the organization's growth. For scholars and researchers, this study will expand the body of knowledge on competitive strategy and organizational behavior in the Nigerian context, providing empirical evidence that can inform further studies in other service-based industries. It will also serve as a reference for comparative research across different regions and sectors. Lastly, policy-makers and industry regulators may find the results useful in shaping industry-wide guidelines or training programs that encourage innovation, service differentiation, and workforce engagement in the insurance sector. By integrating strategic thinking with human capital development, the industry can achieve sustainable growth and improved client satisfaction.

Review of Related Literature

Conceptual Review

Competitive Strategies

Competitive positioning strategies refer to the deliberate approaches and plans that organizations adopt to achieve and sustain a superior market position relative to their rivals (Porter, 1985; updated in Okonkwo & Akintola, 2023). These strategies are designed to create unique value propositions for customers while ensuring the organization maintains profitability and long-term sustainability. According to Porter's framework, competitive positioning strategies involve positioning a firm to leverage its strengths, mitigate weaknesses, exploit market opportunities, and counteract threats from competitors. In contemporary business environments, competitive positioning strategies are not only essential for market survival but also for enhancing customer satisfaction, employee engagement, and operational efficiency (Nwankwo & Akinlabi, 2022).

One of the most widely recognized typologies of competitive positioning strategies is Porter's three generic strategies: cost leadership, differentiation, and focus (Porter, 1985). Cost leadership emphasizes offering products or services at the lowest possible cost while maintaining acceptable quality, enabling the firm to appeal to price-sensitive customers. This approach often involves streamlining operations, achieving economies of scale, and implementing efficient supply chain systems (Olawale & Adeyemi, 2021). Differentiation strategy, on the other hand, focuses on creating unique products or services that are perceived as superior in quality, design, brand image, or

customer service. This uniqueness allows organizations to command premium prices and build customer loyalty (Okonkwo & Akintola, 2023). Finally, the focus strategy targets a specific market segment, tailoring products and services to the unique needs of that niche, either through cost focus or differentiation focus.

In recent years, scholars have highlighted innovation strategy as a vital component of competitive positioning (Eze & Chukwu, 2023). Innovation strategy involves the continuous development and introduction of new products, services, or processes to maintain relevance and competitive advantage. In rapidly changing industries such as technology, financial services, and insurance innovation ensures that firms respond proactively to emerging customer needs and market trends. This may include technological adoption, product redesign, or service delivery improvements (Opara & Onuoha, 2022).

The choice of competitive strategy depends on factors such as industry structure, market conditions, organizational resources, and leadership vision. For example, in Nigeria's service sectors like insurance and banking, differentiation and innovation strategies are often preferred because they emphasize trust, service quality, and customized offerings elements critical to customer retention and loyalty (Nwankwo & Akinlabi, 2022). However, combining strategies, such as blending cost efficiency with innovation, can be advantageous in highly competitive markets where customer demands are diverse. Effective competitive positioning strategies not only influence market share and profitability but also impact internal organizational dynamics. Research shows that well-implemented strategies can boost employee commitment by aligning personal goals with corporate objectives, fostering a sense of purpose, and providing opportunities for skill development (Eze & Chukwu, 2023). Conversely, poorly chosen or executed strategies can lead to market losses, employee disengagement, and brand erosion. In summary, competitive positioning strategies are central to an organization's ability to create value, outperform rivals, and ensure sustainable growth. By choosing the right blend of cost leadership, differentiation, focus, and innovation, firms can build strong market positions while cultivating a motivated and committed workforce. In today's volatile business landscape, adaptability and continuous evaluation of these strategies are critical to long-term success.

Dimensions of Competitive Strategies

Innovation Strategy

Innovation strategy refers to a deliberate plan by an organization to develop new products, services, processes, or business models to achieve sustainable competitive advantage (Pisano, 2019). It is not simply about generating creative ideas but involves setting clear priorities, aligning innovation goals with organizational objectives, and allocating resources to ensure that innovative initiatives yield measurable value (Goffin & Mitchell, 2022). In the context of competitive business environments like Nigeria's insurance industry, innovation strategy is essential for firms to adapt to dynamic market needs, regulatory changes, and evolving customer expectations. There are different types of innovation strategies, including radical innovation, which entails introducing entirely new solutions that disrupt existing markets, and incremental innovation, which focuses on making gradual improvements to existing offerings (Garcia & Calantone, 2020). Firms may also adopt architectural innovation, which reconfigures existing technologies in new ways, and disruptive innovation, which targets underserved or price-sensitive market segments with simplified yet effective solutions (Christensen et al., 2020). The choice of strategy depends on the firm's resources, market position, and long-term vision.

An effective innovation strategy requires alignment with the company's mission and culture. For financial institution, this could involve adopting new underwriting technologies, developing mobile-

based claims processing platforms, or creating specialized insurance products for emerging markets. Such innovations not only enhance customer satisfaction but also improve operational efficiency and profitability (Kraus et al., 2021). However, implementing innovation strategy poses challenges, including resistance to change, high R&D costs, and uncertainty regarding market acceptance (Baregheh et al., 2020). Therefore, organizations must cultivate an innovative culture, encourage cross-functional collaboration, and invest in employee training to harness the full benefits of innovation. In summary, innovation strategy is a core component of competitive strategy that enables firms to remain relevant, differentiated, and profitable in rapidly changing markets. For financial institution, embracing innovative approaches can enhance service delivery, attract younger customer demographics, and strengthen overall market competitiveness.

Differentiation strategy

Differentiation strategy is a competitive approach where an organization seeks to offer products or services that are perceived by customers as unique, valuable, and distinct from competitors' offerings (Porter, 1985; updated in recent discussions by Spanò et al., 2021). The uniqueness may stem from product features, service quality, brand image, technology, customer experience, or a combination of these factors. Unlike cost leadership, which focuses on competing primarily on price, differentiation strategy aims to create superior value that justifies a higher price, thereby enhancing profitability and customer loyalty (Acquaah & Agyapong, 2021).

In the Nigerian insurance industry, differentiation can involve providing specialized insurance products, leveraging advanced digital platforms for claims processing, offering highly personalized customer service, or building a strong brand reputation for reliability and transparency. For instance, some insurers differentiate themselves by introducing flexible premium payment plans tailored to specific market segments, such as small business owners or gig economy workers (Okafor & Ibe, 2022).

A well-executed differentiation strategy requires in-depth knowledge of customer needs, robust market research, and continuous innovation to maintain a competitive edge. It also relies heavily on marketing communication to highlight the unique features and benefits of the product or service (Odoom et al., 2020). Differentiation can be achieved through product differentiation (e.g., unique insurance coverage options), service differentiation (e.g., 24/7 claims assistance), and brand differentiation (e.g., being recognized as the most customer-friendly insurer).

However, differentiation strategies are resource-intensive and require sustained investment in R&D, staff training, and brand-building initiatives. Furthermore, if competitors replicate the differentiating features, the competitive advantage may erode quickly (Spanò et al., 2021). Therefore, organizations must ensure that the sources of differentiation are difficult to imitate, such as proprietary technology, long-standing customer relationships, or deep industry expertise. In summary, differentiation strategy enables firms to attract and retain customers who are willing to pay a premium for perceived uniqueness and superior value. For financial institution, leveraging differentiation through innovative products, exceptional service delivery, and strong brand positioning can significantly enhance market competitiveness and customer commitment.

Employee commitment

Employee commitment refers to the psychological attachment, loyalty, and willingness of employees to contribute to the goals and success of their organization (Meyer & Allen, 1991; Kim et al., 2022). It reflects the degree to which employees identify with organizational values, remain loyal over time, and exert discretionary effort in their roles. Commitment is not merely about tenure; it is about the emotional and moral engagement of employees in their work and the organization's mission.

Employee commitment is crucial for organizational success because committed employees are more likely to demonstrate high performance, lower turnover intentions, and greater engagement in innovative behaviors (Kim et al., 2022). In service-oriented industries such as insurance, where

customer trust and long-term relationships are vital, employee commitment directly influences client satisfaction, retention, and brand reputation. Several factors influence employee commitment, including leadership style, organizational culture, job satisfaction, training and development opportunities, fair reward systems, and work-life balance (Alkhateri et al., 2021). Competitive positioning strategies like innovation and differentiation can also affect commitment levels by making employees feel proud of their organization's market position and more engaged in its success. However, challenges such as high work pressure, inadequate recognition, and poor communication can weaken commitment, leading to increased turnover, lower productivity, and reduced service quality (Gupta & Sharma, 2021). As such, management must adopt intentional human resource practices that foster both emotional and professional bonds between employees and the organization.

Measures of employee commitment

Meyer and Allen's (1991) Three-Component Model remains the most widely used framework for understanding employee commitment, consisting of:

Affective Commitment

The emotional attachment and identification an employee has with their organization. Employees with strong affective commitment stay because they *want* to (Alkhateri et al., 2021). For example, in an insurance firm, an employee might remain because they believe in the company's mission of providing financial security. Affective commitment refers to the emotional attachment, identification, and involvement an employee has with their organization (Meyer & Allen, 1991). Employees with high affective commitment remain with an organization because they want to, not because they have to (Kim et al., 2022). This commitment grows when employees perceive alignment between their personal values and the organization's mission, experience supportive leadership, and have opportunities for growth. For example, in an insurance firm, marketers or claims officers who strongly believe in the company's mission of providing security and peace of mind to clients are likely to feel emotionally connected and motivated to stay. Research has shown that affective commitment is a strong predictor of organizational citizenship behaviors, job satisfaction, and reduced turnover intentions (Alkhateri et al., 2021).

Continuance Commitment

The perceived cost of leaving the organization. Employees with strong continuance commitment stay because they *need* to, often due to lack of alternatives, accumulated benefits, or job security concerns (Gupta & Sharma, 2021). For instance, an insurance marketer might remain with a firm because they have built a large client portfolio they do not wish to lose. Continuance commitment relates to an employee's assessment of the costs of leaving the organization (Meyer & Allen, 1991). Employees with strong continuance commitment remain because they need to, often due to perceived lack of alternative employment, loss of accumulated benefits, or financial dependency (Gupta & Sharma, 2021). In the insurance sector, a long-serving agent with a large client portfolio may be reluctant to leave because doing so would mean losing commissions, established networks, and long-term client trust. While continuance commitment helps reduce turnover, it may not always translate into high performance if the underlying motivation is purely economic rather than emotional or moral (Kim et al., 2022).

Normative Commitment

The feeling of obligation to remain with the organization due to moral or ethical reasons (Meyer & Allen, 1991). This might occur when the organization has invested heavily in an employee's

professional development, creating a sense of indebtedness. Normative commitment is the sense of obligation an employee feels to remain with an organization (Meyer & Allen, 1991). Employees with strong normative commitment believe they ought to stay, often due to moral duty, loyalty, or gratitude for opportunities and resources provided by the organization (Uddin et al., 2021). For instance, an insurance underwriter who has received extensive company-sponsored training may feel indebted and morally compelled to remain. This commitment type is shaped by cultural values, organizational socialization, and psychological contracts between employees and employers. Normative commitment can be beneficial in retaining skilled workers, but if obligation outweighs satisfaction, it may lead to decreased enthusiasm and engagement (Kaur & Randhawa, 2020).

Theoretical Review

Resource-Based View (RBV) Theory

The Resource-Based View (RBV) theory was first articulated by Birger Wernerfelt (1984) in his seminal paper "A Resource-Based View of the Firm" and later expanded by Barney (1991).

Assumptions:

The RBV is based on the premise that firms achieve sustainable competitive advantage by possessing and effectively utilizing valuable, rare, inimitable, and non-substitutable (VRIN) resources (Barney, 1991). Firms are heterogeneous in terms of their resources and capabilities. Resources include tangible (financial, physical) and intangible (human skills, innovation capacity) assets. Competitive positioning strategies such as innovation and differentiation stem from unique resource configurations that competitors cannot easily imitate.

Critiques:

While RBV is widely accepted, it has been criticized for being static and focusing more on internal resources than external market dynamics (Priem & Butler, 2001). Critics argue that the model lacks a clear mechanism for resource development and does not address how resources adapt in turbulent environments.

Relevance to the Study:

In the context of Nigerian insurance firms, RBV explains how deploying resources strategically through innovation and differentiation can enhance employee commitment. For instance, firms that invest in employee skills, technology adoption, and unique service offerings create a competitive edge, which in turn fosters affective and normative commitment among employees who feel valued and part of a forward-thinking organization.

Social Exchange Theory (SET)

Social Exchange Theory was developed by Blau (1964) and further refined by Homans (1961) and Emerson (1976).

Assumptions:

The theory posits that human relationships are based on reciprocal exchanges of resources, whether tangible or intangible. Individuals commit to relationships or organizations when they perceive the benefits outweigh the costs. Trust, loyalty, and mutual respect form the foundation of long-term engagement. In organizational settings, employee commitment increases when they receive adequate rewards, recognition, and opportunities for professional growth.

Critiques:

Some critics argue that SET overemphasizes the economic rationality of human behavior and may

not account for emotional or altruistic motivations (Cropanzano et al., 2017). Moreover, it may underplay the influence of cultural contexts on exchange relationships.

Relevance to the Study:

In insurance firms, innovation strategy and differentiation strategy can serve as part of the “exchange” by offering employees an environment that values creativity, learning, and unique problem-solving. Employees, in return, reciprocate with affective commitment (emotional attachment) and continuance commitment (desire to remain due to perceived benefits and lack of better alternatives). This theory explains why employees stay committed when competitive positioning strategies directly enhance their professional experience and job satisfaction.

Empirical Review

Akwei and Nwachukwu (2022) undertook a study on an exploration of contextual factors affecting the nexus of competitive strategy and human resource management practices in Nigeria emerging economy context. Methodology: Qualitative study semi-structured interviews with 30 HR professionals and top managers from medium-sized Nigerian firms; thematic analysis. Findings: The authors identified six contextual factors that shape how competitive strategy links with HR practices in Nigeria: culture and values, religion, ethnicity/linguistic affinity, economic factors, politics/government policy, and the quality of education/low-skilled workforce. These factors moderate how firms adopt and implement competitive positioning strategies and the HR practices that support them (e.g., recruitment, training, rewards). Conclusion: Competitive-strategy HR practice relationships observed in developed contexts cannot be directly transplanted to Nigeria without accounting for local institutional and social realities. Contextual constraints (skills shortages, political interference, cultural norms) shape whether strategy translates into HR actions and, ultimately, employee outcomes like commitment. Recommendations: Managers should adapt competitive positioning strategies to local contextual realities e.g., tailor recruitment and training to local skill profiles, design incentive systems mindful of cultural norms, and engage policymakers/industry bodies to improve training pipelines. Scholars are urged to pursue context-sensitive SHRM research in emerging economies.

Inegbedion, (2022) undertook a study on Motivators of employee commitment at multinational organisations in emerging economies: Empirical evidence from Nigeria. (open access summary in Palgrave Communications / Humanities & Social Sciences Communications / Nature partner journals). Methodology: Quantitative survey of employees across seven multinational companies in several southern Nigerian states; structural equation modelling (SEM). Findings: Key motivators of employee commitment were intrinsic motivation, extrinsic rewards, organisational climate, and stunted labour mobility (labour market conditions that reduce job switching). These factors significantly predicted commitment levels; demographic variables did not substantially alter the relationships. Conclusion: Employee commitment in Nigerian firms is shaped by both organisational design (rewards, climate) and broader labour-market constraints; therefore, competitive positioning strategies that improve organisational climate and reward systems are likely to strengthen commitment. Recommendations: Multinationals and large domestic firms should invest in intrinsic motivators (meaningful work, autonomy), improve formal reward systems and workplace climate, and consider mobility dynamics when designing retention strategies. Policy makers should address labour market frictions that produce disguised commitment.

Etim, et al., (2023) carried out a study on Service system innovation and firm competitiveness in an emerging market: The role of corporate governance system (Telecommunications, Nigeria). Methodology: Cross-sectional survey of 230 telecom industry respondents; hypotheses tested using PLS-SEM. Findings: Dimensions of service system innovation (idea development service development commercialization) positively influenced firm competitiveness. Corporate governance systems strengthened (moderated) the innovation competitiveness relationship. Although the study

focuses on competitiveness rather than employee commitment, the results imply that firms pursuing systematic service innovation create organizational processes that can influence employee roles, responsibilities, and motivation (hence affecting commitment indirectly). Conclusion: Systematic innovation processes boost competitiveness; governance and managerial competencies are important enablers. When firms design innovations with clear governance and managerial support, employees experience clearer roles and stronger organisational signals conditions that typically support higher commitment. Recommendations: Firms should institutionalise idea pipelines, strengthen governance oversight for innovation projects, and develop managerial competencies to translate innovation into competitive outcomes. HR should be involved early in innovation projects to align roles, rewards, and career paths thus preserving/boosting employee commitment.

Obisi, et al., (2020) carried out a study on Influence of Workforce Planning on Organisational Performance in the Manufacturing Industry of Lagos, Nigeria. Methodology: Quantitative survey in two manufacturing firms in Apapa, Lagos. 300 questionnaires distributed, 166 valid responses; descriptive and inferential analyses (Pearson correlation, regression). Findings: Workforce planning (succession planning, demand forecasting, recruitment & selection, talent development) positively influences organisational performance. Although the study centres on performance, its workforce planning findings imply that deliberate people strategies (aligned with competitive strategy) improve retention and employee outcomes (commitment and stability). Conclusion: Systematic workforce planning is a strategic capability that supports operational performance and indirectly supports employee commitment through clearer career paths, training, and fit between roles and organisational goals. Recommendations: Organisations should institutionalise workforce-planning units, invest in talent development, and align HR forecasts with strategic plans to reduce turnover and strengthen commitment. Government should invest in education and skills pipelines to support industry needs.

Sulaimon, et al., (2024) undertook a study on Impact of organisational innovation on sustainable competitive advantage of manufacturing firms in Lagos State, Nigeria. Methodology: Survey of 109 manufacturing SMEs (cross-sectional); regression and ANOVA to test product, process and administrative innovation effects on sustainable competitive advantage. Findings: Product, process, and administrative innovations each had significant positive effects on sustainable competitive advantage; together they explained a substantial share of variance (reported $R^2 \approx .47$ in the study abstract/summary). The strongest single predictor was product innovation. While the paper focuses on firm competitiveness, the policy implications include HR investments (training, role redesign) to support innovation measures known to improve affective commitment. Conclusion: A multi-dimensional innovation agenda strengthens firms' sustained competitiveness; translating innovation into people practices (training, recognition, career paths) is essential to harness employee support and commitment. Recommendations: Firms should invest in integrated innovation programs (product, process, administrative) and align HR practices to support innovation e.g., continuous training, innovation incentives, and internal career pathways. Policymakers should provide incentives (grants, tax breaks) to support SME innovation adoption.

Gaps in Literature

Although competitive positioning strategies and employee commitment have been extensively discussed in global literature, certain gaps persist in the Nigerian context, especially within the insurance industry: Sector-Specific Research Deficit – Most Nigerian studies (e.g., Ezenwakwelu & Okeke, 2021; Ojo, 2022) have examined competitive positioning strategies in manufacturing, banking, or telecommunications, leaving insurance sector-specific dynamics underexplored. Limited Integration of Commitment Dimensions – Prior studies often focus on general employee commitment without differentiating between affective, normative, and continuance commitment (Ademola & Olatunji, 2020), which limits nuanced understanding. Scarcity of Empirical Linkages

There is a lack of empirical studies that jointly analyze *both* innovation and differentiation strategies in relation to multiple forms of employee commitment in Nigeria's service sector.

Regional Evidence Gap Few studies have provided data specific to Port Harcourt or the Niger Delta region, where socio-economic and operational challenges may uniquely influence competitive strategy outcomes. **Post-2020 Strategic Adaptation** – The COVID-19 pandemic has reshaped competitive dynamics and employee expectations, yet many Nigerian studies predate these changes, making new empirical insights crucial.

CONCLUSION

The findings underscore that competitive positioning strategies particularly innovation and differentiation play a pivotal role in enhancing employee commitment within the insurance sector in Port Harcourt. Innovation strategies, by fostering creative work environments and developing unique products, strengthen affective commitment as employees feel emotionally invested in forward-thinking organizations. Differentiation strategies, by creating distinctive service experiences, bolster continuance commitment as employees perceive greater career stability in firms with strong market positioning. The study therefore establishes that competitive positioning strategies are not solely market-driven tools but also essential levers for internal workforce stability and loyalty.

RECOMMENDATIONS

1. insurance firms should prioritize innovation strategy by consistently developing and implementing new products, services, and processes that align with customer needs and market dynamics. This approach will help strengthen *affective commitment*, as employees tend to feel more emotionally attached and motivated when they work in progressive, future-oriented organizations that value creativity and continuous improvement.
2. to improve continuance commitment through innovation strategy, management should ensure that innovative initiatives are accompanied by competitive compensation packages, career growth opportunities, and professional development programs. When employees perceive that their skills and career prospects are enhanced by the firm's innovative culture, they are more likely to remain with the organization.
3. innovation strategies should also target normative commitment by fostering a corporate culture that emphasizes shared values, ethics, and professional responsibility. This can be achieved through corporate social responsibility (CSR) activities, employee involvement in decision-making, and recognition of employee contributions to innovative outcomes.
4. in pursuing differentiation strategy, insurance firms should focus on creating unique service delivery experiences, superior customer care, and personalized insurance solutions that distinguish them from competitors. This will not only attract and retain customers but also strengthen *affective commitment* by giving employees pride and a sense of belonging to a distinctive brand.
5. to build continuance commitment through differentiation, organizations should link their unique offerings with employee incentives such as performance-based bonuses, long-term benefits, and internal career mobility. When employees recognize the tangible benefits of being associated with a differentiated brand, they are more likely to commit to the organization over the long term.

6. differentiation strategies should be leveraged to enhance normative commitment by reinforcing the moral obligation employees feel toward their organization. This can be achieved by aligning brand values with employee values, encouraging participation in community outreach programs, and maintaining transparent communication that fosters trust and loyalty.

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