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Corporate Strategies and Financial Performance among Foreign Commercial Banks in Bujumbura, Burundi

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Abstract: This study investigated the relationship between corporate strategies and financial performance among foreign commercial banks in Burundi. The study used cross-sectional descriptive research design using a quantitative approach. The target population was 219 employees including technical staff and management. A sample size of 142 respondents was determined and simple random sampling was used to select the respondents. The questionnaire was used as the main data collection instrument and data was analyzed using linear and multiple regression analysis. The study revealed that corporate strategy significantly affects the financial performance of foreign commercial banks in Bujumbura (Adjusted R^2=0.281, p=0.000). In addition, it was found that competitive strategy significantly affects the financial performance of foreign commercial banks in Bujumbura (Adjusted R^2=0.147, p=0.000). Similarly, the study revealed that operational strategy significantly affects the financial performance of foreign commercial banks in Bujumbura (Adjusted R^2=0.229, p=0.000). The study concluded that corporate strategies significantly affect financial performance. The study made the following recommendations: management of foreign commercial banks should employ the use of a total quality management system, should make use of a customer relationship management system, should employ advanced and constant methods of market research, and continuously develop new processes of delivering quality services to their customers.

Keywords: *Corporate strategies; financial performance; linear regression analysis; foreign commercial banks; Burundi.*

1. Introduction

In the business environment, an organization needs to have a strategy that will enhance its competitive advantage over its rivals (Chi, 2023; Farooq, Noor & Ali, 2022; Basyith, Ho and Fauzi, 2022). It is evident that the ever-increasing competition and entry of new firms in the banking sector make it mandatory for corporate, strategies to guarantee better and enhanced performance to gain a competitive edge. Corporate strategy varies from operational and competitive strategies since corporate strategy defines the strategic intentions of the firm and the nature in which a firm needs to be structured (Auma, 2013). Corporate strategy implies a series of consistent and logical decisions made by a firm over a span of time at the firm's corporate level which integrate the major; policies, goals, and action sequences of an organization into a logical perspective (Chi, 2023; Arasa & K'Obonyo, 2012). Corporate strategy does not function as an independent factor but comprises other constructs to function effectively. Corporate strategy influences the performance of business units which indirectly influences firm performance.

Competitive strategies basically imply the means used by a firm in an industry to increase its competitiveness (Muhammad, 2014). In Africa, the banking sector is seeking to maintain competitiveness and achieve high financial performance as well as expect what their customers need and at the same time determine if they are satisfied with the firm's goods (Keragia et al., 2017). However, in a country such as Kenya, there are difficulties in the marketplace which include the increase in competition, and updating the customer requirement. Similarly, in Uganda, commercial banks need stronger market presentation which comprises innovation in marketing practices that enable the survival of competitiveness. This implies that commercial banks in Uganda and Kenya need to manage their main markets more effectively and efficiently than their competitors. This means that business entities need to adjust their operations continuously to seize opportunities in the market as well as vend any business challenges that will affect the business strategies. For instance, Kenya Commercial Bank (KCB) opened a branch in Kampala (Uganda) that was later closed due to poor performance.

The bank, however, successfully ventured into Tanzania, Rwanda, and Southern Sudan before re-opening the Kampala branch (Ngwili, 2016). In Burundi, the banking industry continues to grow, though the penetration of its products and services remains low at 1.3% of GDP in 2017. This is still low as compared to the previous year (2016) where the penetration was estimated at 1.28% of the GDP (Burundi Ministry of Finance, 2018). In Burundi, as of the end of December 2017, the banking industry is composed of ten commercial banks, thirty-seven active microfinance banks, and one National Bank of Economic Development. Out of the ten commercial banks, four banks are foreign-owned (Shuman, 2018). Over the past ten years, commercial banks have found it difficult to cope with increasing competition by relying on the old operation strategies which put increasingly greater pressure on the banks to acquire and increase their performance. Therefore, to survive and thrive, commercial banks have to make greater efforts to acquire or improve constantly their competitive advantages, and as a result, their level of competitiveness can provide them with a higher level of financial performance (Brian, 2009; Gatwiri, Bichanga, Loki & Makau, 2014). The banking industry in Burundi has in the recent past witnessed fierce competition that rose to the point where banks have been forced to change their strategies to maintain and enlarge their markets (Jackson, 2009).

This has seen both the local and foreign commercial banks open new branches across the country and even others have entered the larger East African community markets through agency banking, internet banking, mobile banking as well as establish partnerships to enable them to be on the top in the industry (Cheruiyot, 2015). For instance, in 2008, Kenya Commercial Bank was the first Kenyan financial institution to move into Burundi, followed by Diamond Trust Bank in 2009; while Ecobank and CRDB started operating in Burundi in 2012. There has been a drop in the financial performance of foreign commercial banks in Burundi. This has been attributed to the high level of competition, political interference, high level of poverty and low level of penetration to the rural 'unbanked', failure to recover loans/increasing non-performing loans, and decrease in return on assets (Ministry of Finance, 2018). Further, the banks still have a challenge of achieving their profitability targets, total operational efficiency and service quality queried. For instance, the profitability of KCB dropped from $ 1,547 million in 2016 to $ 1,475 million in 2017 due to losses in loans. Similarly, the cash flow of ECOBANK dropped from $ 11 million in 2016 to $ 10.8 million in 2017 (Financial Sector Report, 2017).

Furthermore, a report by DTB in 2018 revealed that the bank's earnings in return on assets (ROA) dropped by 2% in 2017 (DTB Annual Report, 2018). This poor financial quality exposes foreign commercial banks to high levels of credit risk. The consequence of this problem lies in the depletion of the capital base of the bank. Thus, the study investigated to establish whether corporate strategy is among the reasons for the poor financial performance among foreign commercial banks in Burundi. Consequently, the purpose of the present study was to investigate the relationship between corporate strategies and financial performance among foreign commercial banks in Burundi. However, the specific objectives are: (i) to establish the effect of corporate strategy on the financial performance of foreign commercial banks in Bujumbura; (ii) to examine the effect of competitive strategy on the financial performance of foreign commercial banks in Bujumbura; (iii) to determine the effect operational strategy on the financial performance of foreign commercial banks in Bujumbura. This study was limited to the effect of corporate strategy on financial performance, the effect of competitive strategy on financial performance, and the effect of operational strategy on financial performance.

2. Review of Related Literature

This study was guided by two theories, namely Agency theory and Resource-based theory (Chi, 2023; Farooq, Noor & Ali, 2022). The agency theory was brought into perspective by Brian (2009) and Jackson (2009). Mitnick (2015) asserts that agency costs are brought about by the misunderstanding between the managers and the company's shareholders. Agency costs are referred to as the sum of monitoring paid by the principal, the bonding costs paid by the agent, and the overall residual loss. Good performances are often witnessed under situations of low agency costs which come with higher firm values keeping all other factors constant. This theory further states that the owners and management have varying interests. Agency conflicts arise when companies separate the functions of management and ownership. They further demonstrate that the agency costs are borne by the stakeholders regardless of the person making the monitoring expenditures. Higher interests are charged by debt holders anticipating monitoring costs. Higher likelihoods of monitoring

costs lead to high interest rates and lower firm value to its shareholders keeping all other factors constant (Mitnick, 2015). The financial performance could be explained using three types of agency costs. The asset substitute effect asserts that a rise in debt to equity increases the incentive of the management to undertake more risky projects. All the benefits accruing from successful projects benefit the shareholders whereas the unsuccessful project's debt negatively influences the debt holders.

The undertaking of projects increases the probability of wealth transfer from debt holders to shareholders and a decline in firm value. Risky debts often benefit the debt holders instead of the shareholders, leading to underinvestment. The management therefore has the mandate to reject projects with positive net present value despite their higher potential to increase firm value. It is also mandatory that the investors are given free cash flow failure to which the firm is allowed to destroy firm value through perks and empire building. Complete protection requires exemplary enforcement costs and extreme covenant specifications. As the residual firm owners, it is the responsibility of the stockholders to ensure that monitoring costs are held low up to some levels. The optimal amounts of debt that could be issued by a firm are limited by monitoring costs. There is a higher likelihood that the monitoring levels needed by the debtors rise with the outstanding levels up to some levels. Lenders engage in limited monitoring when the levels of debt are limited. There are substantial costs associated with protective covenants and increase as the debt financing levels increase. The monitoring costs incurred by the shareholders seek to ensure that the actions of the managers are based on optimizing the value of the firm.

Pouryousefi and Frooman (2017) assert that higher costs associated with equity and debt and the optimal combination of both debt and equity reduce total agency costs. The Resource-Based View (RBV) was developed by Brian (2009) and Jackson (2009) who contended that the bundles of assets at the firms' disposal and how they can be extended for different uses to gain a competitive advantage. It is a strategic management theory that assumes the heterogeneity of the firms' abilities and resources (Day & Wensley, 2008). The theory holds that unique capabilities and resources are essential in creating an ideal strategy for the firm to remain sustainable in a competitive environment. A firm's resources and capabilities determine sustainable firms' performance since they provide an inherent and superior competitive advantage over other firms in the industry. The resource-based theory (RBV) also extends to a level of creating strategies, products, and functions that cannot be duplicated by competitors (Brian, 2009). This enables the firm to have ideal resources like human resources, technological resources and capital resources that competitors find it difficult to match hence allowing the firm to be the leader in the market over a period of time. Having an ideal performance rate is a result of the unique skills and resources a company utilizes in its operations (Onikoyi & Awolusi, 2014; Day & Wensley, 2008).

This superiority of skills and resources is because of strategies implemented in the firm which improves the competitive position and sustainability. For the firm to continue enjoying the superiority of the skills and resources, there is a need to develop and implement corporate strategies that are favorable to the development of unique resources and capabilities (Mukonga & Awolusi, 2019; Wensley, 2008). Corporate strategy is defined by Wheelen and Hunger (2012) as a strategic platform, or organization capability to cope with a business in different environments with a set of strategic capabilities. Caldart and Ricart (2006) argue that corporate strategy is a dynamic framework for a company strategy involving three interconnected elements that shape a company strategy itself, which are: identifying success factors, the company's initiative strategy and architecture design. Corporate strategy is also a continuous process upon which the company is compelled to work tirelessly so that the investors are convinced that their money is being effectively utilized thus increasing the equity of the company (Day &Wensley, 2008). In this study, corporate strategy was operationalized as corporate strategy, competitive strategy, and operational strategy.

Financial performance refers to the degree to which financial objectives are being or have been accomplished (Wensley, 2008). It is the process of measuring the results of a firm's policies and operations in monetary terms. It is used to measure a firm's overall financial health over a given period and includes liquidity, profitability, market expansion, operating cash flows and debt-to-equity ratio among others (Ratembo, 2017; Makgati & Awolusi, 2019). In this study, financial performance was operationalized as profitability. Corporate strategy is a step taken by an organization to accomplish its goals to attain superior financial performance (Purce, 2014). It is concerned with how companies create value across different businesses. The development

of a successful corporate strategy entails the creation of value and kind attention in three vital fields. The core function of corporate strategy is ensuring that at all times, the enterprise's value exceeds the sum of its components. Corporate-level strategy is mainly concerned with the strategic decisions made by a business that influence the organization as a whole. Mergers and acquisitions, financial performance, resource allocation and human management of the personnel are elements of corporate-level strategy. An effective corporate strategy should aid effective resource allocation to bring the best investment opportunities.

Enhances the competitive position of a firm, adds value beyond the sum of its parts and drives raise expectations of the firm both internally and externally (Muhammad, 2014). Wensley (2008) recommends that a corporate strategy coincide with the competitive environment requirements. It also must make use of present and emerging opportunities and diminish the effects of major threats, placing realistic terms on the company‘s resources. Purce (2014) stipulates that corporate strategy must be developed and acted upon to reinforce set goals by a firm‘s business policy. It sets to answer questions such as, what set of businesses should the company be in? ‘More specifically, a corporate strategy is a company‘s way of creating value through the configuration and coordination of its multi-business corporation. A corporate strategy differs from a business strategy, which focuses on building a competitive advantage in the specific business or market of operation and hence can be considered as part of a corporate strategy. Therefore, a corporate strategy describes an organization‘s overall direction toward growth through investment in diversification, vertical integration, mergers and acquisitions, turnaround, strategic alliances and outsourcing.

With increased complexities in terms of uncertainties, threats and constraints in the business world, corporate strategy helps to keep pace with the business dynamic and fast changes, minimizes competitive disadvantage and competition (Porter, 1985). There is no standard criterion for the selection of the most suitable performance indicator since performance measurement could be performed for different reasons and each performance measurement is carried out for a specific reason. Firm performance entails the comparison of an organization's actual output against the intended output. To boost performance, an organization's governing body and managers formulate programs to ascertain the organization's current level of performance and come up with ideas for improving the infrastructure and behavior of the organization which are then implemented to attain higher yield. Simple forms of measurements are used to determine performance at the organizational level such as conducting surveys on customer satisfaction upon which qualitative performance information could be obtained from the customers' point of view (Liu et al., 2013). Hubbard and Beamish (2011) opine that because corporate strategy is concerned with multi-business, it implies diversification of business.

Diversification may be defined as the entry of a firm or business unit into new lines of activity, either by processes of internal business development or acquisition, which entails changes in its administrative structure, systems, and other management process. Ireland et al. (2013) also stated that a corporate-level strategy specifies actions a firm takes to gain a competitive advantage by selecting and managing a group of different businesses competing in different product markets. Meanwhile, Kwabena (2016) said parent firms' strategies refer to strategic motives, importance, focus, and competitiveness. Corporate strategy contributes to making the organization become integrated as one body through the addition of value in comparison to it acting as separate grouped components; it‘s made of four categories namely managing portfolio-practice, change of structure, skill movement, and sharing of knowhow (Kwabena, 2016). The creation of shareholder value through diversifying the firm portfolio depends on other mechanism as the factors cannot be mostly exclusive mutually. According to Paula (2006), portfolio–practice and restructuring do not need connection, but skill movement and knowledge sharing depend on communication through an established connection. In the present situation, more practicability is displayed by others although most of them have brought success in the best situations.

The ignorance of any of them can be a receipt for failing (Porter, 1980). Strategy at the corporate level deals with decisions that have a big impact on the entire organization (Kwabena, 2016). Performance on finance, when businesses merge and acquire, management of human capital, and the process of resource distribution happens at the corporate level. Strategies at the corporate level can be employed in three types (Jeremy, 2009). Businesses can strive to fight out competition to add their market share by using value-adding strategies. It is from using the above strategy that organizations are able to progress in value addition by

taking advantage of capacity and capital endowed to itself and sharing them throughout the organization to lower cost and create effectiveness. Gopesh (2006) explains that diversifying is attributed to the forms used in the creation of value for organizations. The lack of distributing capital and human resources in a market by an organization forms the value-neutral strategy; its main work is to increase the organization's operations. Reduction-value strategies come up when organizations shareholders of a large organization feel it's going opposite its core business and feel it is only strategic management who are gaining in diversifying.

The main purpose of this strategy is to reposition the targeted clients to curb unplanned and distractive expansion (Edward, 2014). Competitive strategy is defined as those strategies employed to determine how the firm will compete in its markets, aiming to secure sustainable competitive advantage. In other words, strategies that operate at the business level of the firm (Kwabena, 2016). Examples of competitive strategies include the discovery of new market opportunities, and the development of new products and services to satisfy customer demand. The most influential competitive strategy typologies include those of Wulff (2015) reactor, prospector, analyzer and defender model, and Porter's (1980) generic competitive strategies. According to Porter (1985), competitive strategy is the search for a favorable competitive position in an industry, the fundamental arena in which competition occurs. Competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition. Wambua (2014) and Wulff (2015) note that competitive strategy is concerned with how a business achieves a competitive advantage in its domain of activities. Porter (1996) argues that competitive strategy is about being different. It means deliberately choosing a different set of activities to deliver a unique mix of value.

Competitive strategy is concerned with how a company can gain a competitive advantage through a distinctive way of competing. Kimando (2012) laments that having a competitive advantage is necessary for a firm to compete but what is more important is whether the competitive advantage is sustainable. Poddar and Gadhawe (2007) posit that the core of a firm's competitive strategy consists of its external and internal initiatives to deliver superior value to its customers. It includes offensive and defensive moves to counter the maneuvering of rivals, actions to shift resources around to improve the firm's long-term competitive capabilities and market position and tactical efforts to respond to whatever market conditions prevailing at the moment. The competitive aim is therefore to do a significantly better job of providing what buyers are looking for, thereby enabling the companies to earn a competitive advantage and out-compete rivals in the marketplace. According to Mwaura (2013), a firm in a very attractive industry may not earn profits if it has chosen the wrong strategy and conversely, a firm in an excellent competitive position may be in a poor industry that is not profitable. Porter's (1985) five forces framework helps identify the attractiveness of an industry in terms of five competitive forces: the threat of a new entrant, the threat of substitutes, the power of buyers, the power of supplies and the extent of rivalry between competitors.

Operational strategy is defined as those functional-level strategies created to implement and execute competitive strategy. Short-term operational strategies direct individual departments within the firm. Johnson and Scholes (1999) defined operational strategies as those concerned with how the parts of the organization in terms of resources, processes, people and their skills effectively deliver the corporate and business level strategic direction. According to Swink et al. (2005), organizations seek to integrate the overall corporate strategy with the operations of the individual banking facilities. Thus, how well this integration is achieved affects the profitability and long-term success of the firm. Miller and Roth (1994) explain that there are two main elements to the operations strategy. First is what it must be able to do to produce a competitive product such as efficiency, goals, flexibility, costs and quality. The other is the set of decisions made to support banking services equipment choices, vertical integration, quality procedures, etc. and these choices must match the product strategy (Miller & Roth, 1994). According to Edward (2014), the pattern of banking choices that a company makes is one element of a banking strategy. Brown (2014) classifies strategic banking decisions as "bricks and mortar" decisions and infrastructure.

"Bricks and mortar" decisions are decisions about facilities, technology, vertical integration, and capacity. Banking infrastructure decisions relate to topics such as organization, quality management, workforce policies, and information systems architecture (Miller & Roth, 1994). "Achieving long-term success requires that banks possess not only the operational capabilities and competencies to compete in existing markets but also the ability to recombine and reconfigure assets and organizational structures to adapt to emerging

markets and technologies," (O'Reilly & Tushman, 2008). Swink et al. (2005) focused on five major banking practices: workforce development, process quality management, just-in-time (JIT) flow, supplier relationship management, and product-process development. Workforce development practices improve workers' abilities through enhanced worker control over their work and cross-training (Wulff, 2015; Zekiri, 2011). Process quality management practices make use of associated tools to promote the continuous improvement of process capabilities. Just-in-time flow practices have the primary goal of eliminating wastes such as unnecessary movement, work-in-process inventories, and queuing (Giffi et al., 1990).

According to Edward (2014), supplier relationship management practices move the company from arm's length transactions toward partnerships and promote closer involvement with fewer, select suppliers by establishing long-term relationships, information-sharing systems, certification and training, and joint investments. These partnerships allow for more learning through problem-solving with customers and suppliers and have been called external learning (Schroeder et al., 2002). One of the big advantages from an RBV and competitive advantage point of view is that relationships with customers and suppliers create tacit knowledge that is not easy to duplicate (Bates & Junttila, 2002). Performance refers to the ability to operate efficiently, profitably, survive, grow and react to environmental opportunities and threats (Wambua, 2014). Performance is one of the major indicators that explain the level of development of any society. Recently, the challenges of the global business environment have re-echoed the need for corporate organizations to have more concerns about the success of business firms. As a social business, commercial banks have both financial as well as social objectives.

Given this, the performance of commercial banks should be measured by using not only financial but also non-financial or social measures (Zhou, Dev & Brown, 2017). To measure bank performance, the extant literature relies on both accounting and market measures (Zhou, Dev & Brown, 2017). Market performance reflects expectations of a firm's prospects and its ability to adapt to potential changes (Malhotra et al., 2013; Zhang et al., 2016). It includes the present value of expected future profits valued by the financial market. However, the market measure fits only listed firms and is appropriate if the market is efficient. Some studies have used different types of performance indicators to measure firm performance. For example, Wulff (2015) and Zekiri (2011) identified 71 performance parameters that have been used by researchers to measure both financial and non-financial performance. In most situations, researchers use financial measures to explain firm performance. For instance, measures such as return on investment, return on sale and return on equity are some of the commonly used parameters to measure performance (Malhotra et al., 2013; Zhang et al., 2016). Thus, for a more comprehensive assessment, organizations have resorted to the utilization of both financial and non-financial performance measures.

For example, Wulff (2015) and Zekiri (2011) have used both financial and non-financial indicators such as process improvements, customer satisfaction, capacity utilization and product service quality to measure firm performance (financial profitability, growth in size/assets, customer satisfaction, product/service quality, capacity utilization, process improvements, employment stability, employee training). Profitability is the ability of a business to earn a profit (Wahlberg, 2017). Profitability is the ability of a company to use its resources to generate revenues over its expenses. In other words, this is a company's capability of generating profits from its operations (Pustelnik & Hallberg, 2013). Profitability is the primary goal of all business ventures. Asimakopoulos et al. (2013) explain that without profitability a banking institution will not survive in the long run. So, measuring current and past profitability and projecting future profitability is very important. Stierwald (2016) contends that profitability is one of the four building blocks for analyzing financial statements and company performance as a whole. The other three are efficiency, solvency, and market prospects. Investors, creditors, and managers use these key concepts to analyze how well a company is doing and the future potential it could have if operations were managed properly (Stierwald, 2016).

According to Gituma (2017), the two key aspects of profitability are revenues and expenses. Revenues are the business income. This is the amount of money earned from customers by selling products or providing services. Generating income is not free, however Gituma (2017) maintains that businesses must use their resources to produce these products and provide these services. Al-Nimer and Yousef (2015) reason that resources, like cash, are used to pay for expenses like employee payroll, rent, utilities, and other necessities in

the production process. Therefore, profitability looks at the relationship between revenues and expenses to see how well a company is performing and the future potential growth a company might have (Al-Nimer & Yousef, 2015). Profitability is measured by an income statement that maintains a record of income and expenses over an interval of time (Adefulu, 2015). Businesses cannot survive without profitability, and a highly profitable business rewards its owners with a considerable return on their investment. According to Adefulu (2015), business managers are responsible for increasing a firm's profitability, by subjecting each process under scrutiny, the aim is to point out changes that improve profitability.

These changes can be examined with a pro forma income statement, also referred to as a partial Budget, allowing one to analyze the impact of these modifications on profitability, before implementing it (Asimakopoulos et al., 2017). According to Fitzsimmons et al. (2016), different decision tools or profitability ratios can be employed to evaluate a bank's profitability. The tools include among others, profit margin, return on assets and return on equity. According to Meriläinen (2015) profit margin is expressed in percentage and can be assessed by dividing net income by revenue. Net income or net profit is the remaining amount after subtracting company expenses from total revenue. Gross profit margin, pre-tax profit margin, net margin, operating margin are different kinds of profit margins commonly used during evaluation. Andersson and Wachtmeister (2016) claim that though it is quite helpful in comparing the profitability of two different companies, it is necessary that both these organizations have to be from the same industry, contain similar business models and demonstrate the same revenue. A comparison otherwise would be inaccurate, and therefore, redundant. In the case of companies that are losing money, the profit margin is inconsequential as they are not generating any profit (Alharthi, 2016). According to Seidu (2011), four useful measures of firm profitability are the rates of return on firm assets (ROA), the rate of return on firm equity (ROE), the operating profit margin and net firm income.

In addition, ROA measures the return to all firm assets and is often used as an overall index of profitability, and the higher the value, the more profitable the firm business (Kharatyan, 2016). According to Baten and Kamil (2016), return on assets (ROA), also known as return on investment (ROI), acts as an indicator of a company's profitability of its total assets. It reveals how efficient the management is in employing resources to its full potential, to generate profit. ROA is denoted as a percentage and is calculated by dividing an organization's annual earnings by its total assets (Akhmedjonov & Balci, 2015). In the case of public companies, ROA varies significantly as they are quite dependent on the industry. Therefore, ROA, when used to compare company profitability should be evaluated against past ROA numbers or ROA of an analogous company. A higher ROA is the preferable result as it denotes that the business is generating more revenue on less investment (Chavarin, 2016). On the other hand, ROE measures the rate of return on the owner's equity employed in the firm business (Mubin et al., 2014). Similarly, ROE is the ratio that assesses revenue generated by a company about investments made by equity holders (Alarcon & Sanchez, 2013).

It is also denoted as a percentage and measures a company's efficiency, indicating its capacity to generate profit without much investment (Mungal, 2015). A higher ROE is a measurement of management efficiency when utilizing investment. One should be aware that a decrease in the value of shareholder's equity, for instance, write-downs or share buy-backs, boosts the ROE number mechanically. The same thing can be observed in cases of high debt. Therefore, to get accurate ROE, comparisons should be made within the same industry, and evaluation (high or low) should be achieved under the same context (Cardesjö & Lind, 2017). Furthermore, profit margin, net margin, net profit margin or net profit ratio is a measure of profitability. It is calculated by finding the net profit as a percentage of the revenue (Heino, 2015). The profit margin is calculated with the selling price (or revenue) taken as base times 100. It is the percentage of the selling price that is turned into profit, whereas "profit percentage" or "markup" is the percentage of the cost price that one gets as profit on top of the cost price (Puccinelli et al., 2013). While selling something one should know what percentage of profit one will get on a particular investment.

So, companies calculate profit percentage to find the ratio of profit to cost. According to Dao (2016), the profit margin is used mostly for internal comparison. It is difficult to accurately compare the net profit ratio for different entities. Individual businesses' operating and financing arrangements vary so much that different entities are bound to have different levels of expenditure, so that comparison of one with another can have little meaning. Ginting (2015) argues that a low-profit margin indicates a low margin of safety: a higher risk

that a decline in sales will erase profits and result in a net loss, or a negative margin. Profit margin is an indicator of a company's pricing strategies and how well it controls costs. Differences in competitive strategy and product mix cause the profit margin to vary among different companies (Svahn, 2013). Ratembo (2017) also conducted a study to find out the association between corporate strategy and the financial performance of Kenyan insurance companies. The data were analyzed through regression analysis, and it was established that the corporate strategy adopted influenced the firm performance as measured by both financial and non-financial metrics.

It was also established that more companies are adopting strategic alliances and partnerships to increase and maintain respective market shares. It was established that corporate strategy enhances the competitive advantage of the organization over its rivals. The research recommended that the government through its various agencies should put in place the right policies that support the insurance firms as a way of increasing their contribution to the economy. Further studies are recommended to establish the effect of competitive advantage on the survival of insurance companies and how portfolio mix influences the adoption of generic corporate advantage strategy by insurance companies in Kenya. Arasa and Nduku (2015) conducted a study to examine the influence of international market entry strategies on the financial performance of manufacturing multinationals in Kenya. The questionnaire was used as the preferred data collection tool. Both descriptive and inferential statistics were utilized to facilitate data analysis. Results indicated that manufacturing multinationals used various international market strategies to venture into business.

These strategies include licensing, wholly owned subsidiaries, joint ventures, exporting, direct investment and strategic alliances. Study findings also indicated that firms intending to go international do consider various factors when choosing a market entry strategy. These considerations include resources available, company competence, competition in the market, size of the host country, availability of possible partnering firms within the host country, host country requirements and state of firm development. Regression results indicated that market entry strategies do influence firm financial performance (profitability and market share). The study concluded that manufacturing multinational firms use more than one market entry strategy to venture into the international arena and all market entry strategies have a positive and significant relationship with the performance of firms. Consequent to the above-reviewed literature, the present study, therefore, hypothesized the following: Ho_1: There is no significant effect of corporate strategy on the financial performance of foreign commercial banks in Bujumbura; Ho_2: There is no significant effect of competitive strategy on the financial performance of foreign commercial banks in Bujumbura; and Ho_3: There is no significant effect of operational strategy on the financial performance of foreign commercial banks in Bujumbura.

3. Methodology

The study adopted a cross-sectional descriptive survey design. Cross-sectional descriptive design aims to describe or define a subject, by creating a profile of banks through the collection of data and tabulation of the frequencies of research variables or their interaction (Jahanshahi et al., 2012; Malhotra et al., 2013). Wambua (2014) and Wulff (2015) argued that descriptive surveys describe and interpret phenomena and are concerned with conditions or relationships that exist, opinions that are held, processes that are going on, and evident effects or trends that are developing. The choice of this research design is justified since the study aims to identify the general characteristics of corporate strategies employed by foreign commercial banks in Burundi. Similar studies that have used this approach include: Arasa and Nduku (2015), Wambua (2014); Wulff (2015) and Zekiri (2011). According to Wambua (2014) and Zekiri (2011), a population is a well-defined set of people, services, elements events groups of things or households that are being investigated.

A research study's target population should be clearly defined, and the unit of analysis should be identified, which is not easy sometimes (Jahanshahi et al., 2012). The target population consists of all the units being studied. The unit of analysis is the entity or who is being analyzed. The population of the study in this current research comprised all the commercial banks in Burundi which have entered into foreign markets. According to the Bank of the Republic of Burundi Annual Report (2017), 4 commercial banks have entered Burundi. Thus, all of the foreign commercial banks participated in the study since the population is small. The study

looked at 219 employees (technical staff) and managers from the marketing departments of the four commercial banks (Bank of the Republic of Burundi Annual Report, 2017). The sample size for this study was calculated using Slovene's formula (Awolusi, Mbonigaba & Tipoy, 2018). Consequently, the sample size was 142. Table 1 gives a summary of the population and sample size.

Table 1: Study Population and Sample Size

Banks	Target Population	Sample Size
CRDB	47	30
KCB	65	42
DTB	46	30
ECOBANK	61	40
Total	**219**	**142**

Source: Bank of the Republic of Burundi Annual Report (2017)

This study used both the non-probability and probability sampling techniques. In the non-probability technique, the study employed purposive sampling to select the managers of marketing departments because it is useful in identifying uniquely qualified respondents to provide needed information. The selection was based on expert knowledge of the particular problem of the research. On the other hand, probability sampling, specifically simple random sampling was used to collect data from the technical staff. The study used primary data sources. Primary data was collected using a questionnaire on the topics of corporate strategy and financial performance. The questionnaire was used as the data collection method. The questionnaire survey was done objective by objective targeting the technical staff to respond to questions regarding corporate strategies and financial performance. The data collection tool that was employed in this method was a questionnaire (structured questionnaire). The questionnaire was preferred because it is easy to administer, saves time and allows for doubts to be clarified on the spot by many respondents (Sekaran, 2003). The questionnaire was preferred in this study because it is cheap and can cover a wide range of respondents; provides respondents with adequate time to understand the questions asked and provide answers accordingly.

A researcher is able to collect data from a wide range of samples from the target population, group or elements under investigation; and questionnaires maximize objectivity since the researcher is dependent on respondent's views/opinions (Awolusi, Mbonigaba & Tipoy, 2018). To ascertain the validity of the instrument, content validity was adopted. The instrument was validated by the researcher's supervisors. They ensured that the instrument represents the entire range of possible items to be tested in the study. The questionnaires were modified in line with their recommendations. Furthermore, a content validity index (CVI) was used; where a CVI value greater than 0.70 was considered valid otherwise not valid (Amin, 2005). The resulting CVI of 0.92 in the present study implied that the instrument was valid (Amin, 2005). Alternatively, the reliability of the instrument was ascertained using the internal consistency method (Sekaran & Bougie, 2010). The questionnaire was given to a 10-man expert on the field for their grading based on a 5-point Likert scale. The researcher used Cronbach's alpha correlation matrix to test the reliability of the instrument as ranked by the experts (Sekaran & Bougie, 2010). Table 2 provides the rule of thumb for Cronbach's alpha coefficient value by Zikmund et al. (2010), while Table 3 gives the Cronbach's results for the study.

Table 2: Rule of Thumb for Cronbach's alpha Coefficient Value

Alpha Coefficient Range	Strength of Association
0.90 to 1.0	Excellent
0.80 to 0.89	Very Good
0.70 to 0.79	Good
0.60 to 0.69	Moderate
Less than 0.60	Poor

Adopted from: Zikmund et al. (2010)

Table 3: Cronbach's Reliability Results

Tested Variables	Number of Items	Cronbach's Alpha
Corporate strategies	18	0.931
Financial performance	8	0.847

The above results show that Cronbach's alpha value on corporate strategies was interpreted as 'Excellent', implying that there was a high level of reliability because of the high level of internal consistency. On the other hand, Cronbach's alpha value for financial performance was interpreted as 'Very Good', implying a high level of reliability due to a high level of internal consistency. Linear regression analysis was used to determine the extent to which corporate strategies predict the variation in financial performance. The null hypothesis was tested using the level of significance ($p \leq 0.05$); if the p-value is less or equal to 0.05, it was considered significant; otherwise, the null hypothesis was rejected.

4. Results and Discussion of Findings

The demographic characteristics of respondents in this study included age, gender, education level, and work experience. The majority, (64.8%) of the respondents were male while 35.2% of them were female. The dominance of the male respondents in the study implies that foreign commercial banks prefer to employ men because they are energetic, enthusiastic, and focused in their work compared to their female counterparts especially in the area of family-work life balance. Furthermore, (43%) of the respondents were within the age group of 40-49 years, followed by 28.9% who were within the age group of 20-29 years, while those within the age group of 30-39 years and 50 and above were represented by 21.1% and 7% respectively. The dominance of the respondents within the age group of 40-49 years implies that foreign commercial banks prefer to employ persons who have developed their professionalism in the banking sector and are therefore more staple-minded and well-decided to work and develop their career. Also, the majority (62%) of the respondents were bachelor's degree Holders, followed by 17.6% who were Diploma Holders, and 12.7% who were master's degree Holders. No respondent was a PhD Holder. The dominance of bachelor's degree Holders in in this study implies that foreign commercial banks prefer employing people who are well-educated, knowledgeable and highly skilled to promote the right corporate strategies and consequent financial performance of the organization.

Results: The Effect of Corporate Strategy on the Financial Performance of Foreign Commercial Banks in Bujumbura. The first objective of this study was to establish the effect of corporate strategy on the financial performance of foreign commercial banks in Bujumbura. Table 4 gives a summary of the findings.

Table 4: The Effect of Corporate Strategy on the Financial Performance of Foreign Commercial Banks in Bujumbura

					Change Statistics				
Model	**R**	**R Square**	**Adjusted Square**	**RStd. Error of the Estimate**	**R Square Change**	**F Change**	**df1**	**df2**	**Sig. F Change**
1	.535[a]	.286	.281	.52160	.286	56.129	1	140	.000

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	15.271	1	15.271	56.129	.000[b]
	Residual	38.090	140	.272		
	Total	53.361	141			

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	T	Sig.
1	(Constant)	1.845	.263		7.006	.000
	Corporate strategy	.505	.067	.535	7.492	.000

a. Dependent Variable: Financial Performance

Table 4 revealed that corporate strategy significantly affects the financial performance of foreign commercial banks in Bujumbura (Adjusted R^2=0.281, p=0.000). This is because corporate strategy significantly causes a variance of 28.1% in financial performance. This implies that when foreign commercial banks focus on

competitors, service quality, customers, and market research, it becomes much easier for them to realize financial performance in terms of an increase in sales volume and subsequent increase in profit margin. The decision rule was that: if p≤0.05, the null hypothesis would be rejected, and the alternative hypothesis accepted. For that reason, the finding in Table 4 shows that the null hypothesis that there is no significant effect of corporate strategy on the financial performance of foreign commercial banks in Bujumbura was rejected, and the alternative hypothesis that there is a significant effect was upheld. Furthermore, the study revealed that the regression model was a good fit for predicting the effect of corporate strategy on financial performance (F=56.129, p=0.000). Similarly, the study revealed that every unit change in corporate strategy would significantly predict variance in financial performance by 53.5% (Beta=0.535, p=0.000).

The Effect of Competitive Strategy on the Financial Performance of Foreign Commercial Banks in Bujumbura: The second objective of this study was to examine the effect of competitive strategy on the financial performance of foreign commercial banks in Bujumbura. Table 5 gives a summary of the findings.

Table 5: The Effect of Competitive Strategy on the Financial Performance of Foreign Commercial Banks in Bujumbura

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.392[a]	.153	.147	.56807	.153	25.355	1	140	.000

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	8.182	1	8.182	25.355	.000[b]
	Residual	45.179	140	.323		
	Total	53.361	141			

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1 (Constant)	2.240	.312		7.187	.000
Competitive strategy	.402	.080	.392	5.035	.000

a. Dependent Variable: financial performance

Table 5 revealed that competitive strategy significantly affects the financial performance of foreign commercial banks in Bujumbura (Adjusted R^2=0.147, p=0.000). This is because competitive strategy significantly causes a variance of 14.7% in financial performance. This implies that when foreign commercial banks make use of advanced technology, employee training and development, and promotional ventures, they can penetrate the market and financially become viable. The decision rule was also that: if p≤0.05, the null hypothesis would be rejected, and the alternative hypothesis accepted. For that reason, the finding in the table shows that the null hypothesis that there is no significant effect of competitive strategy on the financial performance of foreign commercial banks in Bujumbura was rejected, and the alternative hypothesis that there is a significant effect was upheld. Furthermore, the study revealed that the regression model was a good fit for predicting the effect of competitive strategy on financial performance (F=25.355, p=0.000). Similarly, the study revealed that every unit change in competitive strategy would significantly predict a variance in financial performance by 39.2% (Beta=0.392, p=0.000).

The Effect of Operational Strategy on the Financial Performance of Foreign Commercial Banks in Bujumbura: The third objective of this study was to determine the effect of operational strategy on the financial performance of foreign commercial banks in Bujumbura. This gives a summary of the findings.

Table 6: The Effect of Operational Strategy on the Financial Performance of Foreign Commercial Banks in Bujumbura

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.484[a]	.234	.229	.54033	.234	42.773	1	140	.000

Model	Sum of Squares	df	Mean Square	F	Sig.

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	12.488	1	12.488	42.773	.000[b]
	Residual	40.873	140	.292		
	Total	53.361	141			

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1 (Constant)	2.465	.208		11.863	.000
Operational strategy	.383	.059	.484	6.540	.000

a. Dependent Variable: financial performance

Table 6 revealed that operational strategy significantly affects the financial performance of foreign commercial banks in Bujumbura (Adjusted R^2=0.229, p=0.000). This is because operational strategy significantly causes a variance of 22.9% in financial performance. This implies that when foreign commercial banks have adequate finances to train their employees and constantly improve their operational processes, then they can improve their financial performance. The findings in Table 7 show that the null hypothesis that there is no significant effect of operational strategy on the financial performance of foreign commercial banks in Bujumbura was rejected, and the alternative hypothesis that there is a significant effect was upheld. Furthermore, the study revealed that the regression model was a good fit for predicting the effect of operational strategy on financial performance (F=42.773, p=0.000). Similarly, the study revealed that every unit change in operational strategy would significantly predict a variance in financial performance by 48.4% (Beta=0.484, p=0.000).

Table 7: Multiple Regression Analysis for the Effect of Corporate Strategies on Financial Performance

					Change Statistics				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**	**R Square Change**	**F Change**	**df1**	**df2**	**Sig. F Change**
1	.665[a]	.442	.430	.46457	.442	36.415	3	138	.000

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	23.578	3	7.859	36.415	.000[b]
	Residual	29.783	138	.216		
	Total	53.361	141			

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1 (Constant)	.588	.322		1.824	.070
Corporate strategy	.322	.068	.341	4.756	.000
Competitive strategy	.291	.067	.283	4.338	.000
Operational strategy	.243	.056	.307	4.366	.000

a. Dependent Variable: financial performance

The results presented in Table 7 show that all the corporate strategies employed in this study together significantly affect financial performance by a variance of 43% (Adjusted R^2=0.430, p=0.000). This implies that a combination of corporate strategy, competitive strategy and operational strategy influences financial performance by 43% while 57% of the variance in financial performance is accounted for by other variables beyond the scope of this study. Additionally, the study revealed that the regression model was a good fit for predicting the effect of corporate strategies on financial performance (F=36.415, p=0.000). Furthermore, the study in Table 4.4 revealed that corporate strategy was the highest predictor of financial performance. This is because a unit change in corporate strategy would significantly cause a variance of 34.1% in financial performance (Beta=0.341, p=0.000). The second highest predictor of financial performance was operational strategy. This is because a unit change in operational strategy accounted for a 30.7% variance in financial performance (Beta=0.307, 0.000). Lastly, the least predictor of financial performance was the competitive strategy. This is because a unit change in competitive strategy accounted for a 28.3% variance in financial performance (Beta=0.283, p=0.000). This therefore implies that foreign commercial banks in Bujumbura should ensure that they place more emphasis on the application of corporate and operational strategies to penetrate the market and continue soaring in the banking arena of Burundi.

Discussion of the Findings: The finding of the current study is in line with that of Marous (2018) who found that corporate strategy allows organizations to be proactive, by better understanding opportunities and threats that may be in the market. The author argued that being proactive can improve differentiation from the competition and enable the efficient deployment of resources. Grinblatt and Titman (2016) also found that corporate strategy increases operational efficiency, helps to increase market share and profitability, and makes the overall business more sustainable in the long term. Similarly, Purce (2014) found that any corporate strategy should take into account the starting point and the customer, competitive, technological and regulatory trends affecting a bank and its markets. It should also equip the bank to manage through financial market and economic cycles, being explicit about the risk exposures desired and how to adjust those exposures throughout the cycle. This therefore implies that corporate strategy has the capacity to identify attractive markets and the ability of a bank to develop a strong and sustainable position in those markets so that it can build a few distinctive assets and capabilities that set it apart. In other words, differentiation should come not from baseline steps such as moving activities online but rather by molding features that will induce customers to take out a mortgage or invest their wealth with one bank over its competitors.

Therefore, foreign commercial banks in Burundi should know and understand that consumers want simple ways to interact with their financial institutions that will be contextual to their personalized needs. They do not want to visit a branch unless necessary. Instead, they want financial solutions that are proactive and reflect real-time activities and needs, not pre-scheduled product campaign messages that provide minimal value. For that reason, Kwabena (2016) opines that banking institutions of all sizes should have the ability to use data and advanced analytics to proactively engage with consumers in ways that will save them time and money. In return for this enhanced value proposition, consumers will be more satisfied, more loyal and will deepen their relationship. Thus, foreign commercial banks in Burundi must re-calibrate how they engage with their customers and members to reach the potential that corporate strategy is meant to achieve. These findings in the second objective concurs with those of Anand (2012) who identified key parameters of competitive rivalry to include price discounting, new product introduction, advertising campaigns and service improvements. Mathooko and Ogutu (2015) also found that competition is inevitable for commercial banks to be successful and competitive. This helps the banks to learn how to cope with business rivals.

This highlights the need for managers to be vigilant in developing competitive strategies, especially in considering the objectives of rivals and strategizing on how to position their organizational strategies. Consequently, Kwabena (2016) examined the impact of generic competitive strategies on organizational performance and established significant positive effects of the three competitive strategies: cost leadership, differentiation and focus strategies on performance. Furthermore, Mugo et al. (2012) investigated competitive intelligence practices and their effect on the profitability of firms in the banking industry using the case of Equity Bank. The study highlighted intelligent product development as one measure of effectiveness in the application of competitive strategies. Similarly, Naiye (2016) found that quality of service or/and management, corporate social responsibility, strategy formulation, (electronic) marketing innovation and creativity, among others are factors influencing competitive strategies in the banking sector. Likewise, Kariuki (2014) found that increased competition in the banking industry threatens the attractiveness of the industry thereby reducing commercial banks' profitability. This is because it exerts pressure on banks to be proactive and to formulate successful strategies that facilitate proactive responses to anticipated and actual changes in the competitive environment.

Therefore, for foreign commercial banks in Burundi to remain competitive and outperform their competitors, they should develop appropriate strategies to drive their performance. For example, they can identify a market niche they wish to serve. Thus, by focusing on a given niche in the market, commercial banks are able to customize their financial services to the needs of that market niche. In addition, Reimink (2019) also observed that forward, innovative thinking combined with impactful strategies and efficient operations are essential to respond to rapidly changing markets, technologies, and regulations. We understand that sound operational strategies go beyond daily business requirements in helping to increase competitive advantages and compete with industry leaders. This is the reason why Olsen et al. (2017) found in their study that the operational strategy enhanced by the use of technology and automation in the banking sector is threefold: to have applications that allow customers to make transactions or obtain information on a self-service basis without requiring employee efforts; to use technology to reduce the time employees spend on finding

information; and to use automated business rules and decision models to move work more quickly and efficiently through processes. Migdadi (2013) also conquered that operational strategy facilitated by automating core processes, affects not only how customers interact with the bank.

But also, how banks communicate important information internally and how they manage their sales and customer relationship activities. However, contrary to the present study, Edward (2014) found that the opportunity to improve operational strategy through process costs often is underappreciated in banks, in part because it involves taking a more built-up view of business processes. Edward (2014) indicated that process improvement in this area involves continual performance monitoring and often comes about as a result of analyzing, mapping, benchmarking, and ultimately rethinking back-office processes. In addition, Brown (2014) found that the goal of operational strategy is to improve the bank's efficiency ratio by reducing the unit cost-to-value ratio of each activity or transaction – such as the cost of opening an account, creating a loan document package, or handling a specific type of transaction (Zekiri, 2011; Zhang et al., 2016; Zhou, Dev & Brown, 2017).

5. Conclusion, Recommendations and Policy Implications

This study therefore investigated the relationship between corporate strategies and financial performance among foreign commercial banks in Burundi. The following objectives guided the study: to establish the effect of corporate strategy on the financial performance of foreign commercial banks in Bujumbura; to examine the effect of competitive strategy on the financial performance of foreign commercial banks in Bujumbura; and to determine the effect of operational strategy on the financial performance of foreign commercial banks in Bujumbura. The study used cross-sectional descriptive research design using a quantitative approach. The target population was 219 employees including technical staff and management. A sample size of 142 respondents was determined and simple random sampling was used to select the respondents. The questionnaire was used as the main data collection instrument and data was analyzed using frequency, percentage tables, mean, standard deviations, and linear regression analysis. The study concluded that corporate strategy significantly affects the financial performance of foreign commercial banks in Bujumbura. This is attributed to the fact that the use of a search mechanism for information about competitors, emphasis on quality service, constant development of information about customer needs and improving existing customer service, gives a leveled ground for opportunities of realizing growth in financial performance over the years.

The study also concluded that competitive strategy significantly affects the financial performance of foreign commercial banks in Bujumbura. This is largely because when foreign commercial banks decide to focus their attention on customers, technological advancement, advertisement and promotional activities, market research and employee training and development, then they end up establishing a fertile ground for a better competitive advantage that can help them harness improvement in financial performance in a long run. Lastly, it was concluded that operational strategy significantly affects the financial performance of foreign commercial banks in Bujumbura. This is because when foreign commercial banks have enough financial resources to make use of constant improvement in their services, skilling employees and developing new processes of delivering quality services to customers, they become unstoppable to realize a boom in financial performance. Given the findings and conclusions made in the preceding sections, the following recommendations were contrived: The management of foreign commercial banks in Bujumbura should employ the use of a total quality management system to improve the quality of their services to the customers.

This can be done through quick customer feedback, professional handling of customer complaints, after-sales services, providing diverse banking services that meet all the demographics of the population in Burundi, and providing fast services that are not bound to delays. Furthermore, the management of foreign commercial banks in Bujumbura should make use of a customer relationship management system. This they can do by creating a customer database that enables them to understand their customer's likes and preferences. This can help them maintain a good relationship with customers by providing them with alert messages of newly available products or services, discount offers, and opportunities to participate in business forums. In the long run, they retain existing customers and attract new customers, thus a boom in financial performance.

The management of foreign commercial banks should employ advanced and constant methods of market research to be in 'the know' of market threats, and opportunities. This will help them come up with better solutions that address the immediate needs in the market thus wooing customers in such a given market segment. Similarly, given the fact that the banking sector is very dynamic, the management of foreign commercial banks should heavily invest in technologies that are tailor-made to meet the ever-growing banking needs of the banked and the unbanked urban and rural populations respectively.

This can be done through several ways among which include Internet banking, mobile money banking, agent banking, ATM banking, Point-of-Sale banking and any other innovation that might be better at meeting market needs. Thus, once these technologies are used successfully, they can be able to attract customers, thus improving their financial performance. Furthermore, foreign commercial banks should invest heavily in advertisement and promotional activities to make customers aware of the services they are offering and how better they are compared to those of their competitors. The advertisements can be done through the main media platforms and social media. They can also use seminars, symposiums, trainings, and business forums to assert their presence in the market. Promotional activities such as discounts, providing subsidized financial services to entrepreneurs such as vulnerable women and youth, sponsoring community social services such as water, and sanitation, reproductive health, child nutrition, HIV/AIDs, football clubs, or educational ventures can be a good start to affirm community social relationship. Lastly, the management of foreign commercial banks should develop new processes for delivering their services to their customers. This they can achieve by using new technologies, or by bringing their services much nearer to the customer, for example, by having banking points in busy markets, bus terminals, institutions of learning, health facilities, or any public spaces. In addition, these banking points should be accessible, secure, convenient and reliable for customers to perform their banking transactions with ease.

Furthermore, to stay at the top of the competition, the management of foreign commercial banks should constantly develop the skills and knowledge of their employees through regular training, conferences, and in-service education where they can sharpen their banking skills by interacting with different brains from across the globe and discuss on topics that readily address banking needs in society. Thus, when armed with skilled, informed and professional employees, it will be a matter of time before financial performance can be realized. In other words, the employee should be made to feel like 'a boss' and fellow 'partner' in the business and the rest will find themselves in line automatically. Studies by Arasa and Nduku (2015), and Ratembo (2017) indicate that corporate strategies employed by insurance companies and manufacturing companies have a significant influence on financial performance. Thus, this study also adds knowledge that in the banking industry, the use of corporate strategies, competitive strategies and operational strategies has significant effects on financial performance. However, the current study used a descriptive research method using a primary source of data which was collected using a questionnaire as the main research instrument; future studies may adopt a longitudinal research method expanding up to 10 years using secondary data collected from annual financial statements to substantiate the trend in the financial performance of foreign commercial banks in terms of profitability, return on assets, return on investments, and return on equity. Furthermore, the current study only looked at the financial performance of foreign commercial banks, however future studies should also look at the quality of services, the level of customer and employee satisfaction, and market share.

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