

SUSTAINING COMPETITIVE ADVANTAGE THROUGH TECHNIQUES THAT ARE COMPETENCE BASED IN COMMERCIAL BANKS

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Abstract

This study focuses on the effect of competence based management system on competitive advantage of deposit money banks in South-South and South- East zones in Nigeria. The specific objectives are to ascertain the effect of leadership capability competence on competitive advantage, to determine the effect of functional competence on competitive advantage, to examine the effect of network capability competence on competitive advantage, to determine the effect of marketing capability competence on competitive advantage and to examine the effect of research and development capability competence on competitive advantage. Cross sectional survey research design method was employed. The population for the study consists of the eight (8) commercial Banks licensed by the CBN with international authorization with total population of 1,612. The sample size of three hundred and twenty one (321) was obtained using Taro Yamani sample size formula. A stratified sampling technique was used. The study was driven by primary and secondary data. The data were analyzed using correlation and regression analysis as analytical tools. The study concluded that leadership capability competence influence competitive advantage. Enhancing the leadership competences along the organizational structure is very vital for making the banks attractive to work and compete on regional and international level. Banks are highly encouraged to develop a clear strategy for enhancing a leadership competency in order to improve its performance and get the most out of its capabilities. The study recommends that every bank should engage in training in all aspect of organization to develop the competency/capacity for production management so as to achieve competitive advantage.

Keywords: *Competence Based Management System, Leadership Capability Competence, Functional Competence, Competitive Advantage.*

1. Introduction

The world of modern organizations is observing an amazing change in the strategies to gain competitive advantage through administrative competency. This current change in the business environment, is characterized by stiff competition as firms compete for market share, customers, and profitability. Firms are under more pressure to achieve a competitive advantage in the business environment as competition becomes more intense (Dirisu, Ilioya & Ibiduni, 2019). Business organizations all over the world strive to succeed in a highly competitive business environment, making it even more critical for them to improve their capability competencies in order to deliver unique value to customers (Campbell, 1997), as cited in Makadok (2019).

Such competencies provide a company with a long-term competitive advantage and enable it to expand into a wide range of related markets (Zook, 2020). According to Makadok (2019), organizational capabilities are the firm's ability to deploy resources, usually in conjunction with organizational processes, to achieve a desired end that has the potential to improve organizational performance. Competencies are an important source of competitive advantage, but many businesses struggle to identify and assess those competencies (Aduloju, 2019). In summary, core competencies enable organizations to provide value to their customers (Arslan, 2019). Regardless, competence should be difficult and costly to imitate in order to ensure an organization's competitive edge over its competitors. In addition, competencies should be embedded in a company's mission, culture, or values in order for them to be effective.

Hence, for organizations to ensure their long run survival in developing economies like Nigeria, effective networking with suitable partners and timely renewing themselves by utilizing the knowledge and other resources mutually shared by them. It is evident that not all resources are available to every organisation, therefore they must establish a good network of partners who have complementary resources that they can use in concert for everyone's benefit (Yang et al., 2018). In order to improve their performance and withstand the market volatility and uncertainties, Nigerian banks must take advantage of their network capabilities (Gitau, Mukulu & Kihoro, 2015).

Despite the awareness on the need for capabilities competence, there is lack of research in Nigeria on the effect of competence based management system on competitive advantage of

deposit money banks in Nigeria. This is a gap in knowledge the study intends to examine but specific on the effect of competence based management system on competitive advantage of deposit money banks in Delta State.

The volatility, unpredictability, complexity, and ambiguity of the Nigerian economy provide difficulties for every organisation that works there. Its entire performance is adversely impacted by these difficulties in one way or another. The money deposit institutions in Nigeria are not exempt from this issue and are thus entangled in this web. The deposit money banks, which are a component of the banking sector, are extremely essential to any economy in the globe in that almost everyone has a stake in them. They mobilise and direct financial resources, serving as the backbone of financial intermediation.

2. Theoretical Perspective

Competence Management

Competency, according to Chizoba, Okechukwu, and Obelem (2018), is everything that can directly or indirectly impact how well a person does their work. He went on to define competence as a component of a job that a worker is capable of performing, including actions that support efficient job performance. Competencies are traits a person brings to an organisation and actions linked to higher work performance. In other words, it has to do with the competent performance or execution of a certain work or performance, as well as the behaviour required for such performance or execution. Additionally, worker competence management was described by Zeb-Obipi (2007) as a method of controlling the competencies of the organization's personnel.

Worker competency management, according to Zeb-Obipi (2007), is a process made up of goal-directed, related tasks carried out by an organization's managerial functions of planning and regulating. More specifically, Income Data Services (IDS) (1997) defined worker competence management as the process of identifying the competencies that set a worker's superior performance apart from that of other employees in the organisation, building a framework, and using it as the foundation for hiring, selecting, developing, and rewarding employees. The shift in product manufacturing from mass production to consumer-focused production, as well as the fact that the environment of today is knowledge-based, are two of the four variables identified by Lawler (1994) as necessitating worker competence management. The second element is the increased competitiveness brought about by

globalisation, which means that firms must manage their human resources well if they are to thrive in a market that is highly competitive. The third element is the constantly shifting environment of today, and the fourth is the development of larger organisational structures.

Competitive advantage

Although competitive advantage is one of the most often used terms in strategic management, its definition and operationalization are still lacking (Ismail, Che Rose & Abdullah, 2010). Competitive advantage, according to Mooney (2007), is a "skill or resource that is difficult to copy and beneficial in aiding the business in outperforming its competitors. When a company can offer more services, advantages, and values at higher prices, or can offer the same value as its rivals but at lower costs, it has a competitive edge over its rivals (Riley, 2012). "The integration between competitive advantage and competence to provide superior value for a customer better than rivals," according to Rungwitoo (2012), is how the term "competitive advantage" is used. According to Dranove et al. (2016), a company has a competitive advantage in a market when its economic profit margin exceeds that of its rivals that compete in the same market. With a strategy-based approach, Barney (2013) attempted to define competitive advantage. According to him, a company is considered to have a competitive edge when it is adopting a value-creating strategy that is not being done at the same time by any present or future rivals. Porter (1985) argued that enterprises gain a competitive edge when the value they produce for their clients outweighs the cost of doing so. Capturing value that is larger than a company's cost is its main focus.

The importance of having a competitive advantage stemming from core competency is emphasised by a number of ideas. In addition to changing the competitive engineering model, which had previously primarily focused on market-based remuneration, this idea has also stressed the capabilities-based competition model and shifted the focus to resources (Porter, 1993). The benefit of this approach over the previous model is that it is more difficult for rivals to copy because the focus of development was on successful internal coordination between production skills and technology rather than on product technology. The management team's capacity to combine numerous resources into a powerful rivalry determines its competitive edge. This depends on how to transform crucial procedures into tactical abilities that consistently deliver high-quality.

High value for consumers is basically the way that is done in order to create good working culture conditions. The internal culture adopted from the company's external situation cannot be separated from changes in competition, where competitors will try to be able to combine the capabilities of more competitive resources. These conditions require internal efficiency in order to add comparative value. With the formation of efficiency there will be a struggle for competition between businesses by (Ichiowski et al., 1997). The step that must be taken is to hold a bargaining with suppliers to obtain materials efficiently. While the explanation of the business capability process with the efficiency achieved by each company as emphasized by Smith et.al (1991). The company's strategy in general is always based on conditions of comparative advantage and competitive advantage.

Network capability competence and Competitive Advantage

Various researchers have declared numerous antecedents for competitive advantage through organizational performance. For instance, age of the firm (Geroski, 1995), firm size (Giovannetti et al., 2011), owner's gender prior experience of the owner (Dahl & Reichstein, 2007), foreign direct investment and foreign presence (Mayer & Ottaviano, 2007), innovation (Dess & Lumpkin, 2005), legitimacy (Flynn & Luodan, 2002), institutional linkages (Baum & Oliver, 1991), and service diversification (Knudsen et al., 2005) as cited in (Jabouri & Zahari, 2014). However, few researchers have linked competitive advantage to organizational performance with the comprehensive concept of network capabilities. In this study, competitive advantage and performance has been associated with the network capabilities on the basis of the following arguments. Firstly, resource dependence theory suggests that the performance and survival of any firm is dependent upon its ability to capture more resources and be competitive. For instance,

The survival of the organizations is dependent upon their ability to grasp desirable resources and its maximum exploitation for the fulfillment of their business objectives (Hessels & Terjesen, 2010). It is evident that not all resources are available to every organisation, therefore they must establish a good network of partners who have complementary resources that they can use in concert for everyone's benefit (Yang et al., 2018). With the right networks across industries, a corporation could access the resources, markets, and technology that it couldn't access on its own (Karami & Tang, 2019). The effectiveness of the idea of networking capability in this situation is supported by management literature. The capacity of a corporation

to create, maintain, and exploit relationships with a variety of partner companies in order to obtain competitive advantage is known as network capability (Walter et al., 2006).

According to Walter et al. (2006), Network capability competence has four dimensions i.e. Coordination, Relational Skills, Partners' Knowledge and Internal Communication. Coordination could be defined as the capability of a firm to synchronize its resources with other partnering firms. Relational Skills are the abilities of an organization to make relationship with the important players working in the industry. Partners' Knowledge means how much a firm knows about the strengths and weaknesses of its partner while; IC refers to the exchange of information across the departments of an organization.

Networking Capability competence is focusing on competence needed to maintaining relationships that are advantageous to the organization (Taylor & Pandza, 2003). These kinds of connections are mostly made in order to obtain access to and supplement the necessary resources, which ultimately improve organizational performance for the company and provide it a competitive edge (Dickson & Weaver, 2011). Therefore, in order to establish and sustain positive connections, businesses need to have the right relational skills. For successful resource exploitation, businesses should also be able to manage resources both inside and outside of their buildings. These resources are obtained via creating networks, and the gap in resources is filled by finding suitable partners with pertinent resources (Kale et al., 2000). On the basis of the study by Walter et al. (2006), the four components of networking capability competence—coordination, relational skills, partners' knowledge, and internal communication—are all taken into account in this study. The process of developing relational skills, which has a high propensity to be ethically competitive, enables businesses to change their strategic aims and capabilities in order to adapt their path dependency (Schmitt et al., 2018). So, we speculate that:

H₁: *There is a significant relationship between network capability competence and competitive advantage.*

Marketing capability competence and Competitive Advantage

Njoroge (2015) considers how marketing strategies impact performance of SMEs in Matuu, Machakos County, noting that marketing is a key functional area for SMEs in gaining understanding of the market needs and gaining depth over the competition. The researcher collected data from 86 SMEs using structured questionnaires and where the data was analyzed

using descriptions and inferences applied in the SPSS. The study established that marketing strategies including customer relationship and technology use led to positive but insignificant influence on performance, but innovative marketing strategies led to significant negative performance of the SMEs in Matuu town. Conceptually, the study considered marketing strategies with no mention of marketing capability competence and contextually only SMEs in Matuu town were investigated.

Sultan and Srivastava (2018) conducting a study to assess the role that marketing capability competence plays in competitiveness of firms. The study was done on agro-processing SMEs in India – 24 Jammu and Kashmir areas. The study used composite score index method in measuring the variables and findings show a positive relationship. The expansion and growth of the SMEs is dependent on managerial and policy applied, and development of the marketing competencies of the marketing team members. Critically, the study does not share its sources for the data and how it was analyzed to obtain the above results. Contextually, the study was done in India and conceptually, the study considers the relationship between marketing capability competence and competitiveness with no mention of performance.

Jabouri and Zahari, (2014) studied core competences and their influence on banks' performance in the private banking segment of Iraq. The research comprised of a sample of 200 workers from 10 selected banks. The study used questionnaires to collect primary data and where results evidence of a direct linkage between marketing capability competence and firm performance in the perspective of private banking sector of Iraq. The study focused on private banking sector of Iraq 25 and therefore such findings cannot be generalized for firms in the Kenyan context. In response to this, the ongoing study focused on Kenya and specifically Nigerian banks.

Another study that investigates core competences on service sector in Kenya is the by Mugo, Namusonge and Sakwa (2016). The study established that a company needs to enforce policies that encourage employees, offer open communication, liberty to provide feedback and instill a sense of belonging. Despite these findings resonating with the HR competences that Nigeria banks would employ, the study focused on only the HR competence and ignored the marketing capability competence. Further, the study focused on the insurance sector in Kenya and hence cannot be generalized in a financial and HR based industry occupied by Nigeria banks. Despite many researchers considering impact of core competencies in service-based organizations and

their performance, it is evident that there exists a huge research gap in regards to marketing competency. Thus we hypothesize that:

H₂: *There is a significant relationship between marketing capability competence and competitive advantage.*

Research and Development capability Competence and Competitive Advantage

Ahuja (2011) investigated the need of R&D initiatives in Indian enterprises for harnessing competencies. The study found that for businesses to obtain and maintain a competitive edge above their competitors they must upgrade their existing operational systems. The study concludes that no industry can thrive in the long run without establishing new innovative methods through adoption of technology. Essentially, technology enables firms achieve economic development, industrial growth flexibility in operations and self-reliance. Despite this study arriving at insightful conclusions, it fails to conduct an empirical research and delves on secondary data from articles and journals. Further the study is based on Indian businesses which have different business environment and culture in comparison to Kenyan firms. The focus was on Nigeria banks' study.

Jabouri and Zahari (2014) did a research on core competences and its effect on competitive advantage and firm performance in Iraqi private banking sector. Ten registered private banks in Iraq formed the target population of the study and 200 managers who comprised the sample of the research drawn from selected 31 banks. The study used primary collected using the questionnaire, which was designed and reported to the various executives in the selected banks. The study analysis was done using multiple regression technique done out using SPSS. The research findings that a significant association is reported to exist between research, development, and banks' performance. Although the study focused on commercial banks, which falls under the service sector, the context of the study was not Kenya but Iraqi private banking sector. Thus we hypothesize that:

H₃: *There is a significant relationship between research and development capability and competitive advantage.*

Theoretical Review

Core Competence Model

It is a concept under the management theory that was introduced by Prahalad and Hamel (1990) and it is based on harmonizing multiple firm resources and skills that can make the differences between one firm and another at the marketplace and it also gives the firm competitive advantages. The core competence model focuses on combining four elements of the specific, collaborative, integrated and applied skills, knowledge and attitudes within the firm such as to gain competitive advantages. Yang (2015) shared that for a firm to state that it has core competencies, they must fulfill these three criterion; the first is that the competencies have the potential of accessing a wide range of markets, the second is making significant contribution to customer benefits by the products or services and they are hard to be imitated by other players and competition in the business environment.

The core competence model covers the strategies that describe the actions taken by the firm in an effort of achieving competitive edge at the marketplaces. The firm plays with its areas of strength and functions by building on its competencies (Ljungquist, 2010). It is led by the development of core products and services that make gains for the end-users and this is done by continuous improvement. The model focuses on creation of new competitive spaces rather than fighting off the competition by building on its core competencies (Agha, Alrubaiee & Jamhour, 2012). The theory thus exposes how Nigerian banks can build on its core competencies using elements like marketing, finance and human resources skills and knowledge to improve its performance and gain competitive advantages. The firm can also invest in research and development and come up with new products that ensure higher customer satisfaction based on the fact that the product has features that respond to the customers' needs and desires. The new products will improve the performance of the firm and ultimately lead to gaining competitive advantage. This theory is relevant to this study because it integrates core managerial competences that translates into significant competitive advantage.

3. Methodology

Descriptive survey design was adopted. The population for the study consists of the eight (8) commercial Banks licensed by the CBN with international authorization with total population of 1,612. A total of 321 respondents were selected from the management staff of eight (8) commercial Banks licensed by the CBN with international authorization.

The major instrument used for data collection was the questionnaire. Proportional apportionment approach was adopted to determine the number of employees to be chosen from each company. The structured questionnaire was designed and used for the study. Questions was scaled on a five (5) point adjusted Likert’s scale. To answer the survey questions, the respondents chooses an answer using the following scales; ranging from a 1- Undecided, 2 - Strongly Disagree, 3 – Disagree,4 – Agree, 5- Strongly Agree. The statistical package for social sciences (SPSS) version 21 was employed to test the hypotheses. Reliability assessment was carried out using Cronbach’s alpha (CA) index tests with the aid of a pilot study, Kaiser-Meyer-Olkin (KMO) Battlete test for sampling adequacy. The table below shows after a pilot test that the variables are reliable with a Cronbach Alpha value of 0.7746 approximated at 0.8 greater than 0.7 being the minimum threshold for reliability, (Sekaran, 2003).

4. Results

Table 1: Cronbach Alpha Pilot Test

Target Variables	Nature of Variables	Item	Alpha
leadership capability competence	Independent	4	0.8110
functional competence	Independent	4	0.8316
network capability competence	Independent	4	0.7988
marketing capability competence	Independent	4	0.8251
Research and Development capability Competence	Independent	4	0.7742
Competitive Advantage	Dependent	4	0.7746

Table 2 Correlation matrix between studied variables

		Correlations					
		1	2	3	4	5	6
Leadership capability competence	Pearson Correlation	1	.234**	.249**	.134*	.104*	.255**
	Sig. (2-tailed)		.002	.000	.003	.001	.002
	N	285	285	285	285	285	285
Functional competence	Pearson Correlation	.234**	1	.129*	.100*	.228**	.267**
	Sig. (2-tailed)	.002		.002	.002	.004	.002
	N	285	285	285	285	285	285

Network capability competence	Pearson Correlation	.249**	.129*	1	.232**	.343**	.159*
	Sig. (2-tailed)	.000	.002		.000	.004	.001
	N	285	285	285	285	285	285
Marketing capability competence	Pearson Correlation	.134*	.100*	.232**	1	.243**	.223**
	Sig. (2-tailed)	.003	.002	.000		.004	.000
	N	285	285	285	285	285	285
Research and Development capability Competence	Pearson Correlation	.104*	.228**	.243**	.043	1	.241**
	Sig. (2-tailed)	.001	.004	.004	.470		.002
	N	285	285	285	285	285	285
competitive advantage	Pearson Correlation	.255**	.267**	.159*	.223**	.241**	1
	Sig. (2-tailed)	.002	.002	.001	.000	.002	
	N	285	285	285	285	285	285

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

From the above table 2, it indicated positive correlation coefficients of the indicators of competitive advantage, an indication that they are good measures of competence based management system. The findings indicated that leadership capability competence correlated positively with competitive advantage ($r = .255^{**}$, 0.01). The second variable being functional competence correlated positively with competitive advantage ($r = .267^{**}$, 0.01). The third variable being network capability competence correlated positively with competitive advantage ($r = .159^*$, 0.05). The fourth variable being marketing capability competence correlated positively with competitive advantage ($r = .223^{**}$, 0.01). The fifth variable being Research and Development capability Competence correlated positively with competitive advantage ($r = .241^{**}$, 0.01).

Table 3: Model Summary

Model Summary

Model	R	R ²	Adjusted R2	Std. Error of the Estimate
1	0.978a	0.956	0.914	0.478

- a. Predictors: (Constant), research and development capability competence, marketing capability competence, network capability competence, functional competence, leadership capability competence

Source: SPSS output of field survey data, 2022.

Table 3 reveals that 91.4% (.914) of variance in competitive advantage is accounted for by the joint predictive power of leadership capability competence, functional competence, network capability competence, marketing capability competence and Research and Development capability Competence while the remaining percentage is explained by exogenous factors.

Table 4: Multiple Regressions

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
	(Constant)	2.386	1.313		
1 leadership capability competence	.280	.062	.292	4.494	.000
functional competence	.267	.059	.277	3.757	.000
network capability competence	.243	.071	.257	3.433	.001
marketing capability competence	.276	.062	.263	4.473	.000
Research and Development capability Competence	.250	.059	.251	3.851	.003

a. Dependent Variable: competitive advantage

The B-values of competence based management system are; leadership capability competence ($\beta = .292$, $p < .001$), functional competence ($\beta = .277$, $p < .001$), network capability competence ($\beta = .257$, $p < .001$), marketing capability competence ($\beta = .263$, $p < .001$) and Research and Development capability Competence ($\beta = .251$, $p < .001$) had exhibited positive effects on competitive advantage.

The p-value calculated of leadership capability competence ($.000 < 0.05$), functional competence ($.000 < 0.05$), network capability competence ($.001 < 0.05$), marketing capability competence ($.000 < 0.05$) and Research and Development capability Competence ($.003 < 0.05$) had predicted competitive advantage with a statistically significant at 0.05.

Hypotheses Testing

The Decision Rule

If the probability value calculated is greater than ($>$) the critical level of significance, then the null hypotheses will be accepted while the alternate hypothesis is rejected and vice versa.

Hypothesis One

HO₁: There is no significant effect between leadership capability competence and competitive advantage.

From the regression coefficient in table 4, leadership capability competence has a positive effect on competitive advantage. ($\beta = 0.292, P < 0.01$). Since the P value calculated in table 4 is lesser than the critical level of significance ($.000 < 0.05$), we reject the null hypothesis and accept the alternate hypothesis implying that leadership capability competence has a significant effects on competitive advantage.

Hypothesis Two

HO₂: There is no significant effect between functional competence and competitive advantage.

Based on the findings, functional competence has a positive effect which is insignificant on competitive advantage ($\beta = 0.277, P < 0.01$). However, based on the decision rule, the p value of .000 is lesser than .05 level of significance. Therefore, the null hypothesis is rejected while alternate hypothesis is accepted. By implication, functional competence has a significant impact on competitive advantage.

Hypothesis Three

HO₃: There is no significant effect between network capability competence and competitive advantage

The result of multiple regression in table 4 revealed that network capability competence exert positive and statistically significant effect on competitive advantage ($\beta = 0.257, P < 0.01$). The p value of .000 is significant and more than the acceptable 95% confidence interval. Thus, we reject the null hypothesis and accept the alternate hypothesis. This implies that sample data provided convincing evidence that network capability competence has no significant effects on competitive advantage.

Hypothesis Four

HO₄. There is no significant effect between marketing capability competence and competitive advantage. From the regression coefficient in table 4, the beta coefficient and calculated p value of marketing capability competence provide evidence that the influence level of marketing

capability competence is positive and significant ($\beta = 0.263, P < 0.01$), and also exert the effect on competitive advantage. The p value of .956 (95.6%) which is greater than .05 level of significance implies that there is a significant influence level of marketing capability competence on competitive advantage.

Hypothesis Five

HO₅: There is no significant effect between research and development capability competence and competitive advantage.

Based on the findings, research and development capability competence has a positive effect which is insignificant on competitive advantage ($\beta = 0.251, P < 0.01$). However, based on the decision rule, the p value of .003 is lesser than .05 level of significance. Therefore, the null hypothesis is rejected while alternate hypothesis is accepted. By implication, research and development capability competence has a significant impact on competitive advantage.

Discussion of Results

Leadership capability competence and competitive advantage

The beta value on table 4 corroborated the positive effect given the beta value ($\beta=.292<0.01$). The test of hypothesis indicated in table 4 reveals that there is a significant effect of leadership capability competence on competitive advantage ($.000<0.05$). The overwhelming positive result is provided support by Bass (2001) stated that a leader who has gained a strong social intelligence would have the traits characteristics and the traits comprise capacity for status, stress tolerance, sociability, self-confidence, oral communication skills, and organizational problem solving social dynamics of understanding that leads to competitive advantage.

Functional competence and competitive advantage

The beta value on table 4 corroborated the positive effect given the beta value ($\beta=.277, P<0.01$). Meanwhile the test of hypothesis indicated in table 4 reveals that functional competence has a significant impact on competitive advantage. This is in line with Hill & Jones (2010) asserted that a functional competency is unique strength that allows a company to achieve superior efficiency, quality, innovation, or customer responsiveness, and thereby to create superior value and attain a competitive advantage.

Network capability competence and competitive advantage

The beta value on table 4 showed the positive effect given the beta value ($\beta=.257$, $P<0.01$). The test of hypothesis indicated in table 4 reveals that there is a significant influence of network capability competence on competitive advantage ($.001<0.05$). These results are consistent with Hessels & Terjesen's (2010) argument that an organization's capacity to seize valuable resources and utilise them to the fullest extent possible is essential to its survival. It is evident that not all resources are available to every organisation, therefore they must establish a good network of partners who have complementary resources that they can use in concert for everyone's benefit.

Marketing capability competence and competitive advantage

The beta value on table 4 exhibited a positive effect given the beta value ($\beta=.263$, $P<0.01$). The test of hypothesis indication in table 4 reveals that there is a significant influence level of marketing capability competence on competitive advantage. These findings are in line with Namusonge and Sakwa (2016). The study established that a company needs to enforce policies that encourage employees, offer open communication, liberty to provide feedback and instill a sense of belonging.

Research and Development capability Competence and competitive advantage

The beta value on table 4 showed the positive effect given the beta value ($\beta=.251$, $P<0.01$). The test of hypothesis indicated in table 4 reveals that there is a significant influence of Research and Development capability Competence on competitive advantage ($.001<0.05$). These findings are in support with Ahuja (2011) investigated that for businesses to obtain and maintain a competitive edge above their competitors they must upgrade their existing operational systems.

5. Conclusion

The study concluded that leadership capability competence influence competitive advantage. Enhancing the leadership competences along the organizational structure is very vital for making the banks attractive to work and compete on regional and international level. Banks are highly encouraged to develop a clear strategy for enhancing a leadership competency in order to improve its performance and get the most out of its capabilities.

It was concluded that functional competence influence competitive advantage as production competency is very crucial to the success of any business undertaken whether small or large business organization.

The study also concluded that network capability competence influences the competitive advantage. Banks that are always market-oriented will be more successful in responding to their environment and developing new capabilities that lead to competitive advantage.

The study concluded that marketing capability competence influence the competitive advantage. This will employ marketing potentials which might be effective on improving relationship among the company and customer and give competitive capability to the company and finally these items will be followed by improved performance.

The study concluded that research and development capability competence influence the competitive advantage. R&D ability is critical for the innovation process, with product and service innovation playing key roles in maintaining a sustainable, international competitive advantage

Recommendations

1. Every bank should engage in training in all aspect of organization to develop the competency/capacity for production management so as to achieve competitive advantage.
2. Every bank needs to build the capacity of the organization in the area of fast business decision making. This is because decision making is a core factor in business venture. Many have not been able to bring their beautiful business ideas to the market because they lack the capacity to take decision.
3. Effective human resources competencies in organizations is more important now than ever due to the advent of information and communication technology (ICT) which should be step up to monitor competitive advantage.
4. Banks should braze up with the new technology if they must remain relevant in the business environment. They must undergo the necessary training to acquire the human resources competency to enable them manage the company competitive advantage.

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