

Competency and Sustainable Competitive Advantage of Telecommunication Firms in Nigeria

¹Edward T. Branga, ²Karibo B. Bagshaw and ³Justin M. O. Gabriel
Department of Management, Faculty of Management Sciences
Rivers State University, Port Harcourt

Abstract

The purpose of this study was to investigate the relationship between competency and sustainable competitive advantage of the telecommunication firms in Nigeria. The research design adopted is the cross-sectional survey. The population of the study is the four telecommunication firms in Nigeria, namely; MTN, GLO, AITEL and 9Mobile. The data used was primary data. The population of the staff covered 133 staff of the category of regional manager, heads of customer care and, and shop supervisors of the four telecommunication firms in Nigeria. The researcher adopted the entire population which is known as census method. A total of 133 questionnaires were administered to the respondents and 109 were successfully used for the study. The primary data involved the distribution of questionnaire to the four telecommunication firms under study. The hypothesis was tested at a significant level of 0.05 using the analytical tool. The findings of the study revealed that competency have a strong and positive relationship with sustainable competitive advantage and measures of innovativeness and quality consistency. Therefore, the study concluded that competency capability is necessary in the telecommunication firms in Nigeria as competency and a skill is what required and expected telecommunication firms to function effectively are. The study recommends that the telecom firms should develop core competencies for their human resource as a strategic tool to enhance organizational performance and expand their empirical knowledge in the context of the telecommunication industry.

Keywords: *Competency, sustainable competitive advantage, innovativeness, quality consistency*

Introduction

Human mind capabilities are limited in terms of grasping important changes that take place in the environment surrounding it, so has the current business environment for any organization in the world become complicated and highly dynamic (Zain et al., 2005). Therefore, it has become necessary that organizations in dire need for light movement of human capital are characterized with, decision-making, and agility in carrying out work properly. This should be done in a manner which makes them engaged at work devoting all their efforts, feelings and realization in order to achieve the objectives of the organization (Markos & Sridevi, 2010; Warr & Inceoglu, 2012). In the unpredictable and competitive world of today, the organizations must have different competitive features to compete; otherwise, they will move towards annihilation.

Wang (2013) argue that knowledge, know-how, intellectual assets and competencies are the main drivers of superior performance in the information age. Competency in the organization relates to the achievement of goals and purposes of the organizations. It is an attribute of an agile organization that explains the capability of a firm to perceive firms' objectives effectively as well as the expanded ability to bring about company's productivity, capableness and success so to actualize its purposes and objectives. The capabilities components include strategic foresight, adequate technological competency and cost-effectiveness. An organization needs to become more competent, develop the necessary skills, knowledge and attributes, to evolve and mature as a project-based organization (Stevenson 2000). This has implications at the strategic level; because the firms should systematically work upon identifying their core competencies and developing them for sustainable competitive advantage (Srivastava, 2005). It is important to state that the theory of competence-based competition argues that core competencies are the source of sustainable competitive advantage. Competencies are valuable capabilities that are collective and unique in their characteristics, as well as strategically flexible contributing toward the success of potential business (Hafeez et al., 2002).

Generally, the competitions over subscriber's ownership, and the unanticipated technological changes, and changes in the customers taste and preferences, and government regulations have spurred the telecommunication firms to survive in the industry. Agility has become important in recent times and attaining superior agility has become indispensable for almost every organization to survive the dynamic capability that promotes effective integration and assimilation of organizational resources, such as knowledge and technological assets can boost up firm's performance for a longer time frame (Sambamurthy et al., 2003; Tallon & Pinsonneault, 2011; Zelbst et al., 2011).

Thatte (2007) argues that competitive advantage comprises of distinctive competencies that sets an organization apart from competitors, thereby giving them an edge in the marketplace. It serves as an advantage gained over competitors by offering customers greater value, either through lower prices or by providing additional benefits and services that justify similar or possibly higher prices. Competitive advantage is meaningful if it is related to attributes valued by the market because customers need to perceive a consistent difference in important attributes between the producer's products or services and those of its competitors. These differences must relate to some product/service attributes which are among the key buying criteria for the market. Key buying criteria are those variables and criteria that customers use in making their purchase decisions. They are different for diverse industries and market segments. An organization is said to have a competitive advantage when it is implementing a value creating strategy not simultaneously being implemented by any other competitor. One of these features that organizations need in the turbulent environments of today is competency. Similarly, with the increase in the usage of telecom products and services, several mobile network service providers have evolved into the industry, for example, MTN, AITEL, GLO, and 9MOBILE subscribers have increased; these GSM operators strive to lead in the subscribers based ownership, hence resorting to the adoption of sustainability that will give them an edge in the competitive environment. Despite the focus of the above study attempting to address the challenges of organizational sustainability; the challenges still persist in the organizations, especially in the mobile network service providers industries. This therefore calls for more research attentions. Against this backdrop therefore, it is important that further research on how organizations can continue to survive in their ever changing business environment should as a matter of necessity be explored to enable organizations gain competitive advantage. Following this, this present study seeks to examine the impact of competency on sustainable competitive advantage of telecommunication firms in Nigeria.

- i. To what extent does competency correlate with innovativeness of telecommunication firms in Nigeria?
- ii. To what extent does competency correlates with quality consistency of telecommunication firms in Nigeria?

Conceptual Framework

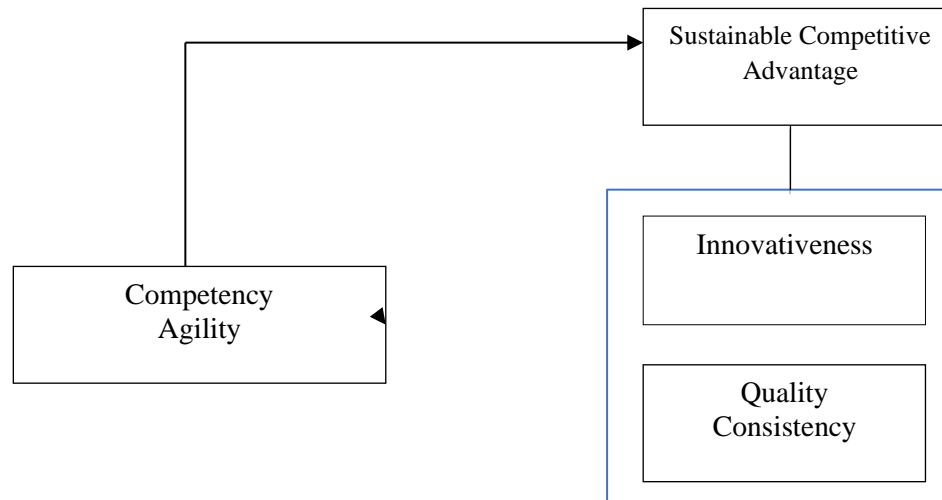


Fig.1. Conceptual framework showing the relationship between competency and sustainable competitive advantage

Theoretical Framework

In our effort to research and conceptualize how competency and sustainable competitive advantage of telecommunication firms in Nigeria were retrieved. This study adopted Enabler Cap and practice and process theory ability Theory.

Enabler Capability Theory

The proponents of the enabler-capability theory are Alberts & Hayes, 2003; Jackson & Johansson, 2003; Lin et al., 2006; Ren et al., 2009; Sharifi & Zhang, 2001; they believe that the applicability of this framework of agility enablers and capabilities will help the organizations to achieve agility The framework of enablers and capabilities is based on the premise that agile organization can achieve competitive advantage in changing the environment. The implication of this theoretical framework to this study is that Enablers and capabilities framework can mostly be used in agile manufacturing, telecommunication industry, where established processes and activities have to be changed often to adjust to the changes in customer demand or market conditions, therefore, flexibility of the processes is one of the enablers that organization has.

Practice and Process Theory

The Practice and process theory proponents are Charbonnier-Voirin, 2011; Sherehiy et al., 2007. They believe that agile organizations must try to identify main practices that agile organizations use in their daily operations. The focus of this theory lies on the practices and processes of the organization aiming towards been effective and competent, the action or practice is what distinguishes agile organizations from the rest, as it utilizes those enablers and characteristics that organization has.

Empowerment of employees which allows the organization to shorten the decision-making time, reduces delays, and improves response and delivery times. In process, employees are more involved and motivated, the organization is more agile in responding to changes and customers are satisfied due to improved service. The relevant of this theoretical framework to this study is that, constant practicing of work skills and capability is much more important than just mentioning or identifying it as another organizational enabler.

Concept of Competency

Competency relates to the achievement of goals and purposes of the organizations. It is as an attribute of an agile organization that explains the capability of a firm to perceive firms' objectives effectively as well as the expanded ability to bring about company's productivity, capableness and success in order to actualize its purposes and objectives. The capabilities components include strategic foresight, adequate technological competency and cost-effectiveness. An organization needs to become more competent, develop the necessary skills, knowledge and attributes, to evolve and mature as a project-based organization (Stevenson 2000) It is imperative to note that the theory of competence-based competition argues that core competencies are the source of sustainable competitive advantage. Competencies are valuable capabilities that are collective and unique in their characteristics, as well as strategically flexible contributing toward the success of potential business (Hafeez et al., 2002).

Studies on the competencies offer a wide array of explanations about their role in enhancing the competitive advantage of the firm (Srivastava, 2005). With this, business executives and consultants will be able to further develop normative and theoretical propositions that will enrich the understanding of competence and dynamic competitive advantage. Therefore, competitive advantage and core competence can be (and should be) closely related because a successful competitive strategy is built on the firm's core competencies and competitive advantages. Core competencies when viewed as unique knowledge for problem definition and problem solving can form the basis of a firm's competitive advantage and can also be leveraged in a wide variety of markets for future products (Srivastava, 2005).

Concept of Sustainable Competitive Advantage

Grant (2015) posited that the sustainability of the competitive advantage is considered to be along the dimensions of durability, mobility and reliability. Durability is a measure of the ability and the resilience of the organization to ward of imitation from competitors. Mobility, on the other hand, refers to the extent to which resources can be transferred between competitors together with the reliability which describes the ease with which resources can be copied by competitors. Based on all these viewpoints, sustainability, in essence, consist of various subsets which are internal as well as external to an organization and is best considered as a dynamic process rather than a static concept that is locked in time. It can be termed as a prolonged sustenance of a value-creating and value-providing strategy which is non-imitable or not concurrently being implemented by any current rival

Measures of Sustainable Competitive Advantage

Innovativeness

Innovation entails an organizational ability to be involved in creative initiative and trial of new ideas by the introduction of new products/services and technological lead the market through Research and development processes (Styles & Wilkinson 2007). Lumpkin & Dess (1996) view innovativeness as the ability of a firm to creatively initiate new ideas, initiation and creation of new product, being the first to try new work processes which may facilitate new products and services as solution to the need of man. It deals with creativity, new ideas as well as new and better ways to execute old or new job. Firms can be innovative in a way as they have to think outside the box by the creation of new product and administrative processes in order to create value addition and ensure customer satisfaction. In a way, innovation activities are typically associated with risk taking. Innovation is vital to entrepreneurship since it is very essential in enhancing economic growth.

Quality Consistency

Every day, the expectations of the customers are developing and elevating, and it has been an organization's dream to meet its customers' expectation in terms of the quality of the product/service that it presents. Not to mention the density of competitiveness that is taking place between producers and service providers which has helped in intensifying the concept of higher quality and better performance. From that point, the telecommunication organizations have begun looking for more efficient and sustainable systems to reach the level of higher quality in accordance with the better performance that appeared to be attached to the high quality in many ways along with the competitive and the ongoing trials to reach the level of good quality, and within the deep understanding that the good quality is somehow attached to the good performance of both the employees and the organization; the concept of quality has taken a spread reputation of being the healing tool to many of the telecommunication industry flaws.

Loffler (2013) defined the concept of quality as the level of satisfaction that customers hold on a certain product/service, in another meaning, the author has taken the concept of quality from the customers' perception which is basically every organization's aim. Another study by Pryo (2010) defined quality as the ability of a certain product/service to achieve the implied or stated requirements and be able to satisfy customers and the quality in that case has to be tested and judged before it reaches the customer from the first place.

H₀₁: There is no significant association between competency agility and innovativeness of telecommunication firms in Nigeria.

H₀₂: There is no significant relationship between competency agility and quality consistency of telecommunication firms in Nigeria.

Methodology

This study made use of cross-sectional survey research design. The population of this study is the four (4) mobile network service providers in Nigeria namely, AIRTEL, MTN, GLO, and 9MOBILE telecom operators. 133 respondents were used cutting across the regional managers, heads of customer care, and shop supervisors were used for the study. It is believed that respondents from the above positions will give adequate and informed responses to the study due to the experiences and knowledge garnered from their job roles. The study adopted the entire population as the sample size of the study. Basically, the data for this study was collected primarily from the use of self-administered questionnaire. The data were analyzed using tables, means and standard deviation. The Spearman Rank Order Correlation Coefficient (ρ) with the aid of SPSS version 22 statistical software were used to analyze the null hypothesis. Also five (5) point likert scales was used to measure the respondents choices and opinions, ranging from Very High extent to Very Low extent and five (5) items were extracted from each of the variables.

Data Analysis and Results

Table 4.1 Questionnaire Administration and use

Questionnaire	Frequency	Percent
Distributed Copies	133	95.49
Retrieved Copies	119	89.47
Copies not Retrieved	8	6.02
Valid Copies	109	81.95
Invalid Copies	10	3.76

Source: Field Survey, 2020.

As shown from the statistics on table 4.1 for the administration and use of questionnaire, a total of 133 copies of the questionnaire were distributed by the researcher to the target respondents representing (100%) but the researcher retrieved 119 copies. Furthermore, from the 119 copies retrieved only 109 copies (81.95%) were used for the analysis as 10 copies making up to (3.76%) were completed inappropriately

Table 4.2 Descriptive Statistics of Competency

	N	Sum	Mean	Std. Deviation	Variance
Our firm always ensures cost-effectiveness in its service delivery.	109	449	4.12	1.168	1.365
Our firm always emphasize on the use of appropriate modern technology to facilitate speedy and accurate banking activities	109	449	4.12	.703	.495
Our firm always emphasizes and achieves product/service quality.	109	453	4.16	.830	.688
Our firm always ensures a balance integration of all organization resources.	109	454	4.17	.714	.510
Our firm develop our core competence of quality network service delivery in order to gain sustainable competitive advantage	109	451	4.14	.700	.490
Valid N (listwise)	109				

Source: Field Survey, 2020.

Also, as shown from the results of the analysis on table 4.8 it can be seen that all the responses generated mean scores above 3.00. This means, greater number of the respondents to a large extent and very large extent affirmed the questionnaire items. However, question 4 has the highest sum of 454 and as a consequence the highest mean score of 4.17. That is to say question 4 has the strongest influence on competency. However, question 1 has the highest standard deviation of 1.168 and variance of 1.365 respectively, indicating that data are most dispersed on question 1.

H₀₁: There is no significant association between competency agility and innovativeness of telecommunication firms in Nigeria.

Table 4.3 Correlation between Competency and Innovativeness

		COMPETENCY	INNOVATIVENESS
Spearman's rho	COMPETENCE	Correlation Coefficient	1.000
		Sig. (2-tailed)	.927**
		N	.000
			109
	INNOVATIVENES S	Correlation Coefficient	.927**
		Sig. (2-tailed)	1.000
		N	.000
			109

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

Decision 1: The result of the statistical analysis (as indicated by the Spearman rank correlation coefficient rho (927) shows that competency and innovativeness has a strong positive relationship with innovativeness of telecommunication firms in Nigeria.

H₀₂: There is no significant relationship between competency agility and quality consistency of telecommunication firms in Nigeria.

Table 4.4 Correlation between Competency and Quality Consistency

		COMPETENCY	QUALITY CONSISTENCY
Spearman's rho	COMPETENCE	Correlation Coefficient	1.000
		Sig. (2-tailed)	.573**
		N	.000
			109
	QUALITY CONSISTENCY	Correlation Coefficient	.573**
		Sig. (2-tailed)	1.000
		N	.000
			109

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

Decision 2: The result of the statistical analysis (as indicated by the Spearman rank correlation coefficient rho (573). shows that competency and quality consistency has a positive relationship with innovativeness of telecommunication firms in Nigeria.

Discussion of Findings

In response to research, the result (as indicated by the rho- (927) revealed that there is a strong positive relationship between competency and innovativeness of the telecommunication firms in Nigeria.

Conclusion and Recommendation

This study concludes that competency has positive and significant relationship with sustainable competitive advantage. This corroborates with the finding of other scholars discussed above. The study also shows that the telecom firms can gain sustainable competitive advantage by leveraging on the competency capabilities and, synergize with the modern technology in order to perform optimally in the telecommunication firms.

The study recommends that the telecom firms should compete favourably based on cost, quality, time to market, and delivery dependability; responsiveness of telecom firm's logistics (transportation and distribution) process that will enable telecom organizations to introduce new products faster than major competitors that will lead to greater ability of a firm to provide on time the type and volume of product required by customers.

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