



EFFECT OF ORGANIZATIONAL CAPABILITIES ON THE FIRM PERFORMANCE; A STUDY OF LISTED DEPOSIT MONEY BANKS IN NIGERIA

Efenji Fidelis Idajor¹ and Aidi Paul Aidi²

¹Department of Business Administration, Faculty of Management Sciences. University of Cross River State.

²Department of Business Management, Faculty of Management Sciences. Benue State University Makurdi.

Email: Efenji_fidelis34@crutech.edu.ng, Paul.aidi2018@bsum.edu.ng

Abstract

The study investigated on the effect of organizational capabilities on the firm performance; A study of listed Deposit Money Banks in Nigeria, it has organizational capabilities in the form of human resource and information technology capabilities on both profitability and growth potentials of the sampled DMBs in Nigeria. The study used survey research design with both descriptive and inferential statistics to analyze the data collected from the respondents. With the 415 employees of the banks as its population. The human resource $p > /t/$ of 0.000 and 0.000 and information technology $p > /t/$ of 0.021 and 0.000. the null hypothesis is rejected. It therefore implies that organizational capability has a significant effect on the corporate performance of listed Deposit Money Banks in Nigeria. it was found that organizational capabilities in the form of human resource and information technology capabilities have positive and significant effect on both profitability and growth potentials of the sampled DMBs in Nigeria. Based on these findings, it was recommended that management of DMBs should consider the need to imbibe both the human resource and information technology capabilities to ensure that performance of their banks is guaranteed.

Keywords: Organizational Capabilities, Firm Performance, Human Resource, Information Technology, Profitability and Growth.

1.0 Introduction

1.1 Background to the study

Organizational managers operate in a highly uncertain and turbulent business environment today. Globalization, technology, knowledge, and shifting competitive strategies all have an impact on the organization's overall performance, making their job more dynamic, complex, and unpredictable (Mubura, 2014). Jensen (2017) also pointed out that managers in Deposit Money Banks (DMBs) and organizations generally are constantly looking

for new ways to conduct business in order to create wealth and increase the value for shareholders because of these complexities and changing environments.

Conventional business practices may not be the most effective in the dynamic business environment that DMBs face, so organizational business managers must adopt new strategies to effectively compete with others in the market. The primary worry of today's shareholders in an organization is that management must create frameworks and systems that not only produce

performance but also have the capacity to regulate this system in relation to high-level objectives (Maher & Anderson, 2017). They observe that as a result, an increasing number of businesses are relying on internal resources and strategic approaches that are priceless, rare, unique, and irreplaceable.

This means that the management team's capacity to structure the company around the resources at hand has a significant impact on the firm's performance. Therefore, in order for DMB management to stay competitive, they must recognize and capitalize on their organizational capabilities. Effective use of organizational capabilities results in improved performance of the organization or company (Njoroge, 2014, Rabah, 2015).

Dubihlela (2013) asserts that strategic organizational capabilities contribute to the development of the firm's ability to stand out in the marketplace and satisfy customers. They are crucial, especially in the fast-paced business world with erratic markets and unpredictable environmental conditions. Sustainable competitive advantage for firms is based on their ability to adapt, leverage, and create new organizational capabilities to counter and control the dynamic business environment (Srivatava, Frankalin Martinette, 2013). According to Peters and Peace (2012), managers can effectively utilize these capabilities to take advantage of market opportunities and counteract external threats at a reasonable cost. In a similar vein, the firm's capabilities allow it to modify its competencies in response to changes in the environment (Teece, Pisano & Shuen, 2017). According to Dosi, Nelson, and Winter (2015), organizational capabilities are a company's expertise in carrying out specific tasks related to a given problem. Organizational capabilities come in various forms, such as managerial, information technology management, human resources, financial, and operational capabilities. In literature, these capabilities are consistently utilized as independent variables. Other categories of organizational capabilities include networking, marketing, and research and development.

According to Kim, Shin, and Min (2016), a company's capabilities enable it to run on a daily basis, expand, adjust to changes, and gain a competitive edge in the market. However, according to Eshima and Anderson (2017), a firm's organizational capabilities are what enable it to expand and endure given its resources and competencies. Numerous studies conducted worldwide—in the United States, the United Kingdom, China, Malaysia, Ghana, Kenya, and even Nigeria—have emphasized the significance of organizational capabilities on firm performance. These studies have been conducted in various economic sectors using various proxies. These are what led to the selection of our current stand-ins.

An organization needs a competitive advantage in areas that other organizations are not aware of or familiar with, even if it has the capabilities. Therefore, organizations that investigate and leverage the areas in which they have a competitive advantage over and above their competitors will see an increase in performance. Porter (1985) introduced the idea of competitive advantage, which is the outcome of consistently applying value-creating techniques as well as the utilization of distinctive internal resources that are challenging for competitors to copy. According to Porter's theories, a company must select tactics that will give them a competitive edge in order to stay out of the middle. Therefore, an organization can maintain its success in the market and acquire a competitive advantage over its rivals by implementing a competitive strategy.

1.2 Statement of the problem

The issue that this study aims to solve is that as Nigerian banking companies grow, new opportunities present themselves for them to become globally competitive. The effects of globalization are creating windows of opportunity. Any banking company's ability to succeed or fail is based on its employees' knowledge and comprehension of the industry. This is due to the fact that, in spite of technological, social, political, and economic variables, no manager can create a profitable business plan. Globalization has presented bank

managers with new business challenges that call for them to develop new skills. As a result, concerns about procedures, technology, power, and customer satisfaction are growing.

The management of deposit money banks also has to deal with issues like making sure they utilize the potential of information technology, making sufficient financial plans, improving the quality of the products and services they offer, planning for human resources, and managing managers and processes that are linked to strategic intent. The organizational capabilities factors are all of these. For them to organize these resources and use them effectively, they require certain skills. Even though they are rare and valuable, resources might be useless without these qualities. Another issue facing managers of Deposit Money Banks (DMBS) that are listed is their lack of technical, human, and conceptual skills.

1.3 Objectives of the study

The general objective of the study is to investigate the effect of organizational capabilities on the corporate performance of listed Deposit Money Banks in Nigeria; The specific objectives of the study therefore include:

1. To examine the effect of Human Resources capability on the corporate performance of listed Deposit Money Banks in Nigeria.
2. To ascertain the effect of Information Technology Management Capability on the corporate performance of listed Deposit Money Banks in Nigeria.

2.0 Conceptual and empirical reviews

2.1 Concept of organizational capabilities

Most frequently, capabilities are developed in specialized functional areas like operations, marketing, or distribution, or in a subset of a functional area like research and development.

Comparing and measuring capabilities in functional domains is also possible. As a result, a business may be viewed as having strong marketing fundamentals due to its proficiency in distribution, or it may have a stronger infrastructure for research and development, making it competitive in operations.

Organizational capabilities, according to Kazmi (2011), are an organization's innate capacity or potential to make use of its strengths and overcome its weaknesses in order to seize opportunities and counteract threats in its external environment. It is also seen as a capability for organizing resources and making good use of them. He went on to say that organizational capabilities are of primary interest to strategists for two reasons. Firstly, they want to know what potential an organization has to take advantage of opportunities or confront external threats. Second, they want to know what potential needs to be nurtured within the company in order to take advantage of opportunities and confront threats down the road.

Additionally, capabilities, according to Gupta, Gollakota, and Srinivasan (2014), refers to the firm's ability to use its intentionally acquired resources. Therefore, a company's capabilities depend on its resources, how they are applied and organized, internal systems and procedures, and the skill sets that the company possesses. Seldom are capabilities unique, and other businesses in that industry may be able to obtain them. A few of these skills might develop into standout skills. When they set that company apart from the competition, their unique qualities are apparent to them and are easily copied.

For a firm to possess capability, it must enable it to either outperform its rivals in a particular task or carry out a value-adding activity that rivals are unable to duplicate. Stated differently, it should assist the company in either doing things differently or in a different way than its rivals. In light of this, organizational capability factors—

which are critical to the development and application of strategy—are the strategic strengths and weaknesses found in the various functional domains within an organization. Strategic factors, corporate competence factors, strategic advantage factors, and so forth are other terms that are interchangeable with organizational capability factors. These include the following: information management, personnel, marketing, operations, financial, and general management capabilities. According to Kazmi (2011).

2.2 Organizational performance

A firm's performance, in the words of Stoner, Freeman, and Gilbert (2003), is determined by its capacity to fulfill its mission by accomplishing its goals and objectives. According to Landy and Zedeek Cleveland (2017), performance can be divided into two processes: the non-financial/financial and the quantitative/qualitative perspective. Proxies for dependent variables, such as growth performance and profitability, were used in this study.

2.3 Review of empirical literature

This work took a critical review of the empirical works of numerous scholars which helped the present study to have a clear view of the subject of the present study and what methodologies were adopted by earlier researchers in the investigations, what major discoveries were made and the relevant recommendations, proffered. This enables the present study to identify the gaps and weaknesses in such literature and input new ideas.

2.3.1 Human resources capitalist and performance

Auk (2010) studied the relationship between competitive advantage and human capital (resource) capital ties by surveying professional service firms in the regions of China, Taiwan, and Hong Kong. The chief executive officers (CEOs) of the companies were the target respondents. The study used primary data that was gathered through structured questionnaires; phone

interviews were used to fill in any gaps in the questionnaires. The study the conclusion that a company's competitive advantage is positively correlated with its human capital capabilities. The study, however, was limited to the Pan-China region, so its conclusions might not apply to the current situation, particularly with regard to Nigerian deposit money banks. As a result, the study determined that there was a contextual gap. Furthermore, a methodological gap existed because the studies concentrated on the direct relationship that exists between human capital capabilities and performance in deposit many banks in Nigeria (DMBS).

once more looking into how internal customer satisfaction and human resource capability affect organizational effectiveness. A state-owned company A was the subject of a case study by Chuang, Liu, and Chen (2015). A convenient sample of 400 respondents was chosen, and questionnaires were sent out by mail. The partial least squares (PLS) approach was used to analyze the data collection and the conclusion that internal customer satisfaction and human resource capability—specifically, team orientation—are key components of organizational effectiveness. But the current study was a survey of listed deposit money in banks, whereas the previous study was a case study on a state-owned company Furthermore, the study conducted in Nigeria used partial least squares (PLS), whereas the current study will employ multiple regression modeling, indicating the possibility of methodological flaws.

Research on managing human resource capabilities for a sustained competitive advantage on India global organizations was conducted by Khanandekar and Sharma (2015). The primary research methodology was applied, focusing on a random sample of 300 HR managers from nine multinational companies with headquarters in New Delhi. The study found that organizational performance and significant predicted sustainable competitive advantage are positively correlated with human resource capabilities. Although the study's findings indicate a positive correlation between organizational performance and human

resource capabilities, the current investigation is focused on listed deposit money banks in Nigeria, the majority of which do not operate internationally. The previous study was carried out with global organizations headquartered in New Delhi. This suggests that there is a contextual difference.

In a study published in 2018, Moloi examined the human capital capacities of South African public institutions in the enterprise risk management role. Targeting the public institutions of chief risk officers, a descriptive research design was modified. Primary data obtained through questionnaires was used. Descriptive statistics were used for data analysis, and the results showed that insufficient risk management procedures and bad practices contributed to the weak control environment in public institutions and were also a feature of the human capital used for enterprise risk management tasks. But since the study only used descriptive statistics, it was not reliable enough to draw conclusions. As a result, the study found a methodological gap. Furthermore, the study was carried out among South African public institutions without a mediating variation, so the conclusions could not be extrapolated to the current study context indicating the existence of a textual gap.

Once more, Bartocho (2016) used an explanatory research design with a target population of 2800 employees from 109 registered courier companies in Nairobi County in order to study the use of human capital resources capabilities as a competitive tool in organization to improve employee performance in courier companies in Kenya. A sample of 339 respondents was chosen by simple random sampling. Descriptive and inferential statistics, including moderated regression analysis and correlation, were used in the data analysis process. The current study focuses on the overall organizational performance of listed deposit money banks in Nigeria, indicating that a methodological gap

exists. Whereas the previous study found a positive relationship but statistically insignificant influence between human capital resource capabilities and employee performance. Additionally, the study was carried out among courier companies in Kenya, whereas the current study is being carried out among Nigeria's listed deposit money banks (DMBs), suggesting the existence of contextual gaps.

Nyabuti, Chepkilot, and Zakayo (2016) investigate the relationship between employee performance in Kenya's civil service and the improvement of human resources capabilities. They do this by conducting a thorough review of the relevant literature and concluding that improving HR capabilities improves organizational performance. This study, however, lacks statistical support because it relied on empirical literature. The results cannot therefore be applied to any content. In listed DBMs in Nigeria, the current study used organizational performance as the dependent variable and competitive advantage as the mediating variable. As a result, the study acknowledges that it has methodological and contextual flaws.

The impact of human resource capabilities on organizational performance was compelled to be studied by Karami (2014). The United Kingdom's (UK) electronic industry served as the study's foundation. The sentiments stem from an empirical survey of CEOs regarding their perceptions of HR's involvement in high-tech SMEs' strategy development. The important conclusion drawn is that improving the company's core competencies—especially in human resources—is essential to its success. Furthermore, the idea is put forth that as HR becomes more involved in the formulation and execution of business strategies, the organization and the sector as a whole will become more effective. Because the study was based primarily on empirical literature, it lacks statistical support,

which means that its conclusions might not be applicable in other contexts. Furthermore, this study covers the entire UK electronic industry. Although there are sectoral differences in this study because it focuses on Nigeria's listed deposit money banks, the conclusions will not apply to the entire banking sector. As a result, the study acknowledges that it has methodological and contextual flaws.

In 2011, Nigam, Nongmaithem, Sharma, and Terpathi carried out research on the impact of strategic human resource management (SHRM) on Indian firms' performance, with a particular emphasis on service sector companies. Two sets of questionnaires and the key informant approach were utilized to gather data from 25 organizations. Performance was evaluated in relation to the efficacy of the organization. Two levels of regression analysis were performed. The relationship between SHRM and effectiveness is positively correlated, according to the results, and business strategy influences this relationship. The universalistic theory of SHRM is inapplicable to the Indian service industry. Nevertheless, the research was conducted in India and was unable to pinpoint the precise indicators or factors that measure an organization's effectiveness, such as profitability, productivity, and customer satisfaction, among other things. In this particular context, Nigerian deposit money banks with a mediating form of competitive advantage are the subject of the current study. As a result, the study acknowledges that there are gaps in the methodology and the context.

A study on the relationship between organizational knowledge creation capacity and strategic human resource management was conducted by Poukiani, Salajege, and Ranjbar (2011). The specific area of focus is on the relationship between organizational innovation and organizational knowledge capability, as well as the development and support of this capability through strategic HRM in Iranian public organizations. The findings demonstrated a significant relationship between three workforce characteristics and organizational knowledge

creation capability across four SHRM configurations. The study did, however, use various dependent variables. The current study used organizational performance as the dependent variable and competitive advantage as the mediating variable, whereas the study conducted in Iran used organizational knowledge capability as the dependent variable. Consequently, the study contains methodological and contextual study.

The effect of human resource capabilities on sustainable competitive advantage in audit firms was the main focus of Nzyoka and Munyao's (2017) study, which included a case study of Deloitte Limited. The research design used in the study was descriptive. A study sample was selected from Deloitte Place's Waiyaki Way offices. The study employed a questionnaire to collect primary data through a census of all 106 staff members within the target population. Descriptive statistical techniques were used to analyze quantitative data. An analysis of correlation was carried out. The results showed that, on the whole, Deloitte Kenya's level of sustainable competitive advantage was positively and significantly impacted by its human resources capabilities. According to the study, the company needed to improve and extend its human resources department's capabilities beyond what was considered average.

2.3.2 Information technology capability and firm performance

In a 2014 study, Ohembe, Ojo, and Ilori assessed the impact of innovation, technological prowess, and clustering on the business performance of furniture manufacturing companies in southwest Nigeria. The furniture makers were chosen at random for the sample. Questionnaires, both structured and unstructured, were used to collect primary data. The furniture manufacturers were given 360 questionnaires to complete. The outcome demonstrated that technological prowess, innovations, and clustering had a favorable effect on the company's performance and the new furniture product.

This study identifies methodological and contextual gaps. Once more, the study only used primary data sources; in contrast, the current study will use secondary data sources to calculate the profitability and return on assets of tested deposit money banks in Nigeria.

An empirical study of business and information system executives in 128 firms was conducted by Lu and Ramamurthy (2011) to investigate the relationship between the ability of information technology (IT) and organization capability. The study's findings demonstrated a strong positive correlation between operational adjustment agility and IT capitalizing agility. The study also concluded that while IT spending and ability had a positive and significant impact on operational adjustment agility, they had no effect on market capitalizing agility. However, because this study was not sector-specific, its conclusions might not be applicable to the current study setting. Furthermore, whereas the current study aimed to ascertain the relationship between information technology (IT) capability and organizational agility, the previous study only examined the relationship between IT capability and organizational agility and corporate performance. Thus, contextual and conception gaps are identified in the study.

A 2011 study by Mithas, Ramasubbu, and Sambamarthy examined the relationship between information management capability and business performance. The information management capability has a positive impact on the firm's customer, process, and performance management, according to the conclusions drawn. The outcome has a positive impact on organizational, financial, human, and customer capital. The results of the study cannot be extrapolated to the Nigerian context because it was conducted in the USA, which has very different operational parameters. The study identifies contextual gaps. A study on the effect of information technology capability on

organizational performance was carried out in 2013 by Liu, Zhao, Wang, and Xiao. The relationship between the study variables was significantly impacted by IT capability and varied cultures, but this relationship was not affected by different data services. IT capability positively impacted performance. This study, however, was a meta-analysis of the literature on information technology, which is not supported by empirical data. Consequently, the study has a methodological gap.

Similarity The impact of organizational innovation on export performance as well as the relationship between organizational innovation and technological capabilities were studied by Margarida, Maria, and Maddalena (2016). Data from a survey of 471 Portuguese-based exporting manufacturers was used to examine the connections between the concepts this study examined. These were chosen at random from among 3000 manufacturing companies. The data used to test the modal was derived from an online questionnaire based on the open-source software line survey. The results show that technological capabilities have a major impact on organizational innovation intensity, which in turn has a positive impact on export performance. Contextual and conceptual gaps are therefore found in the research.

Investigating the relationship between information technology capability and performance of an organization, Chae, Koh and Prtbutok (2014) showed that there locked any favourable relationship between IT capability and the performance of an organization. The results were different from each other studies looked at earlier results which have shown a positive relationship. In addition, in the current study, the firms that were leading in IT capability performance was no better than the once which did not have IT capacity. The result of the study was

based on data collection from 1991-2007. The findings that may not be applicable to present day since technological development has significantly changed. In addition, the study, the study was based on IT industry and the findings may not be applicable in the banking industry sector in Nigeria. The study identified both methodological and contextual gaps.

Again, evaluating the interaction between information technology capability, environmental conditions and competitiveness of consultancy firms in Nairobi, county, Kenya, Tanui (2015) concluded that IT positively influence firms' competence while at the same time firm competence partial mediates the relationship between IT capability and firm competitiveness. The moderating influence of the environmental conditions was found to be contingent upon the behaviour of the environmental conditions. This study we conducted among consultancy firms in Nairobi County and the findings may not be applicable in listed deposit money banks in Nigeria. One capability ignoring other capability such as human capital networking and intellectual capability. The study therefore identified contextual, and conceptual gaps.

Ndanu (2020) studied the influence of technology capability on western Kanyasugar firm competitive advantage. However, the findings of the study were based on manufacturing firms while the current study is conducted on listed deposit money bank in Nigeria which is a different sector. In addition, the study shows the relationship between technology capability and competitive advantage but failed to link it to financial performance variables like profitability returns on eats return on

investments. In the study, contextual and methodological gaps are identified.

Furthermore, Azubuik (2013), to find out the relationship between technological innovation capability and firms' performance in the new product development. Firms were selected randomly from the database from the Nigerian chamber of commerce. Survey design was adapted. The sample consisted of manufacturing firms drawn from sis main manufacturing sectors in Lagos, Nigeria. Ten firms were selected randomly and questions were applied simultaneously through surveys and randomly selected face to face interview were arranged concurrently. the survey findings verified the existence of correlation between technological innovation and firm performance on new product development. The present study differs from the study in that if is carried out on the banking industry and intends to adopt a mediating variable of competitive advantage. Therefore, contextual, conceptual and methodological gaps are identified.

Another study was conducted by Zawislakcherabini Alves, Tello-Gamala, Barbieux and Richert (2012) investigated the relationship between investments in technological capability and economic performance in *Brazilian firms*. The study analyzed 133 Brazilians industrial firms that were listed in the major national stock market between 2008 and 2010. The study collected secondary data through these companies 'annual report and profit and loss statements, their websites. The relationship between investment technological capacity and firm performance was found to be positive sequential. However, methodological and contextual gaps are identified in the study.

3.0 Methodology

This section presents the procedures that were adopted in this study under the following sub-research design, population and sampling techniques, research instrument, pilot test, data collection, data analysis and model for the analysis.

3.1 Research design

The study on effect organizational capabilities on the corporate performance of listed deposit money banks in Nigeria: the mediating role of competitive advantage, adopts a cross-sectional survey design. The

choice of survey research was informed by the fact that a sample of responses from the population was used in making generalization.

3.2 Population of the study

The population for this study is finite and comprised of employees of listed deposit money banks in Nigeria. There were 13 DMBs in Nigeria as at December 2022. However, sample of banks included in this study depended on two filters which helped to conveniently select the sample size.

Table 3:1 Population of listed deposit money banks employees

S/No	Name of Institution	Population of employees
1	Access Bank Plc	6,781
2	Ecobank Nigeria Plc	8,610
3	Fidelity Bank Plc	2,869
4	First City Monument Bank Plc	3,098
5	First bank Nigeria holding plc	8,341
6	Guaranty trust bank plc	3,323
7	Sterling bank plc	2,401
8	Stanbic IBTC bank Ltd	2,972
9	Union bank of Nigeria plc	2,342
10	United bank for Africa plc	10,817
11	Unity bank plc	1,853
12	Wema bank plc	1,317
13	Zenith bank plc	7,529
	Total	62,253

Source: annual reports and websites of listed deposit money banks, 2024.

3.3 Sample size determination

To avoid problem of response biasness and to increase the response rate for the study, the researcher uses Taro Yemane formula to determine a sample size at a 95% confidence level and P = 0.05 are assumed for Equation. The formulas presented here generate

estimates of the necessary sample size required based on statistical criteria (Creswell, 2003).

$$n = \frac{N}{1+N(e^2)}$$

Where:

N = Population size

n = Sample size

e = Level of significance at 0.05

Hence;
$$n = \frac{62,253}{1+62,253(0.05^2)} = \frac{62,253}{157} = 397$$

As recommended by Salkins (1997), to make provision for unreturned or incorrectly completed copies of the questionnaire or to cover for nonresponse or bias, a buffer margin at 10% of the minimum sample size was calculated and added to each Deposit Money Bank considered in the study. As a result, the actual number of copies of questionnaire contributed to respondents was 437. This was calculated as follows:
10% of 397 = 39.7

397 + 39.7 = 436.7, which is approximately 437.

The population of the questionnaire that was administered at each of the Deposit money banks was determined using Bowley’s proportionate allocation formulae (1964)

$$nh = \frac{nN_h}{N}$$

Where

nh = the number of units allocated to each company

n = the total sample size

N_h = the number of employees in each company

N = the population size

Following the Bowleys allocation formula the sample size for each of the deposit money banks was determined as follows;

Table.3.2 populational sample size of each of the listed Deposit Money Banks

S/No	Name of Institution	Sample
1	Access Bank Plc	nh = 48
2	Ecobank Nigeria Plc	nh = 60
3	Fidelity Bank Plc	nh = 20
4	First City Monument Bank Plc	nh = 22
5	First bank Nigeria holding plc	nh = 59
6	Guaranty trust bank plc	nh = 23
7	Sterling bank plc	nh = 21
8	Stanbic IBTC bank Ltd	nh = 17
9	Union bank of Nigeria plc	nh = 16
10	United bank for Africa plc	nh = 76
11	Unity bank plc	nh = 13
12	Wema bank plc	nh = 9
13	Zenith bank plc	nh = 53
	Total	437

Source Researchers computations 2024

3.4 Sampling technique

Inductive sampling techniques was adopted since the researcher intend to rely on the group levels in his sampling techniques between top level management, middle level employees and lower-level employees of the

thirteen investigated banks. Using Bowley’s population allocation formulae (1964) in Nzclite 1999:201 shown below;

$$nh = \frac{nN_h}{N}$$

Where

nh = the number of units allocated to each company

n = the total sample size

Nh = the number of employees in each company

N = the population size

Source of Data

Data describes all details, facts and figures that can be arranged in a logical manner to make sense. Data for this research was gathered from primary source. An advantage of using primary data is that researchers collect such information for the specific purpose of their study. In essence, the questions the researchers ask are tailored. Researchers collect the data themselves, using surveys questionnaires. This study was carried out using statistical surveys with a view towards making statistical inferences about the population being studied, and such inferences depend strongly on the survey questionnaire that were self-administered.

3.5 Methods of data collection

Primary source of data was used to obtain data through the use of questionnaire. A questionnaire with Likert Scale of 1-5 was developed using prior literature. The constructs had twenty (20) items measuring

4.1 Response rate

Table:4.1 Response rate of the questionnaires issued and returned

Questionnaires issued	437	100%
Questionnaires not returned	22	5%
Questionnaires returned	415	95%

Source: researcher’s compilation, 2024.

The researcher distributed 437 questionnaires to the respondents out of which 415 were

independent variables of organizational capabilities and dependent corporate performance with mediating role of competitive advantage. The reason for adopting questionnaire in that, the research work contacted many respondents who could not otherwise be reached. Questionnaires are easy to analyze and data entry is done easily through the help of computer software packages available.

The questionnaire used in the research was in closed ended form. The closed ended questions are intended to restrict respondents’ answers; thus, providing an objective base for comparative analysis.

Data analysis technique

The data collected was presented in descriptive and quantitative forms using tables. In doing so, simple percentages were used. The hypotheses formulated in chapter-one were tested using. Regression analysis with the help of STATA Version 13.0 because of the fitness and robustness of the model.

4.0 Results and interpretations

This section presents the results of the study and their interpretations beginning with the descriptive statistics and then regression analysis result.

correctly filled and returned giving a response rate of 95%. The answers supplied

by the respondents according to the questionnaires were presented in tables and subsequently analyzed as follows:

Table 4.2: Responses to human resource/personnel capabilities factors

Human resource/personnel capability factors	SA	A	U	D	SD	MEAN
The personnel system of you deposits money bank in terms of man power planning, selection, development etc is highly effective.	241	145	29	0	0	4.51
Your deposits money bank possesses unique advantages with regards to the quality of its manager, skill and workers	147	196	72	0	0	4.18
Your deposits money bank offers special benefits to the employees that others organisation does not offer	218	119	78	0	0	4.34
The union management relationship is amicable	247	121	47	0	0	4.48
The system of collective bargaining is effective	136	279	0	0	0	4.33
The general level of employee satisfaction and morale is encouraging	207	138	70	0	0	4.33
Competitive advantage and productivity are attained through effective Human resources/personnel system in your deposits money bank	299	116	0	0	0	4.72
AVERAGE	214	159	42	0	0	4.41

Source: Researcher’s compilation, 2024.

Generally, table 4.2 reveals that 214 (representing 51.46%) of the respondents strongly agreed that human resource capabilities are important ingredients for an organization to achieve its goals. Also, 159 (representing 38.35%) of the respondents agreed, 42 (representing 10.19 %) were neutral, while none disagreed. With a cut-off mean of 4.41, it can be concluded that majority of the respondents (88.2%) agreed that human resource/personnel capabilities are needed for an organisation to achieve its goals.

Table 4.3: Responses to Information Management Capabilities factors

Information management capability factors	SA	A	U	D	SD	MEAN
Information is obtained from reasonable quality, quality form genuine source and timely to enhance effective decision-making process in your deposit's money bank	104	237	74	0	0	4.07
The information extension capacity is appropriate in your deposit's money bank	203	143	69	0	0	4.32
The information system in your listed deposits money bank is highly secured	104	100	142	69	0	3.58
The data base management system in your listed deposits money bank is adequate for processing and synthesis of information	155	105	155	0	0	4.00

The computer systems in your deposits money bank possess the capacity and information format adequate to assimilate and use information	179	236	0	0	0	4.43
The computer/information system in your deposits money bank possess the capacity for speed, have adequate scope, width and depth of coverage of information in your organisation	238	91	86	0	0	4.37
Transmission and dissemination is highly effective in your listed deposits money bank with the available computer systems	173	173	69	0	0	4.25
The IT infrastructure in your listed deposits money bank is relevant and compatible with the organisational needs	299	116	0	0	0	4.72
Top executive management of the deposit money bank support IT application within organisation	218	119	78	0	0	4.34
There is willingness of top executive management to invest in the latest IT system and carryout regular and periodic up gradation of IT facilities of the bank	247	121	47	0	0	4.48
AVERAGE	192	144	72	7	0	4.26

Source: Researcher’s compilation, 2024.

Generally, table 4.3 reveals that 192 (representing 56.27%) of the respondents strongly agreed that information management capabilities are very important for an organization to achieve its goals. Also, 144 (representing 34.72%) of the respondents agreed, 72 (representing 17.35%) were neutral, while 7 (representing 1.66%) disagreed. With a cut-off mean of 4.26, it can be concluded that majority of the respondents (85.2%) agreed that information management capabilities are vital for

Profitability	SA	A	U	D	SD	MEAN
Effective application of human resource and information management capabilities have facilitated the attainment of high profitability in your listed deposits money bank	136	279	0	0	0	4.33
Market share of our organisation has improved	207	138	70	0	0	4.33
Return on equity in our organization has increased	299	116	0	0	0	4.72
Our earnings after tax have improved	271	144	0	0	0	4.65
AVERAGE	228	169	18	0	0	4.51

an organisation to achieve its goals.

Table 4.4: Responses to information on Profitability

Source: Researcher’s compilation, 2024.

Generally, table 4.4 reveals that 228 (representing 55.00%) of the respondents strongly agreed that organizations seek to achieve higher productivity. Also, 169 (representing 40.78%) of the respondents agreed, 18 (representing 4.22 %) were neutral, while non-disagreed.

With a cut-off mean of 4.51, it can be concluded that majority of the respondents (91.2%) agreed that profitability is highly needed for an organisation to achieve its goals.

Table 4.5: Response to information on Growth

Growth	SA	A	U	D	SD	MEAN
Number of employees has grown in my organisation	113	302	0	0	0	4.27
There is sales growth in my organization	203	209	3	0	0	4.48
There is fixed assets growth rate in my organisation	88	237	90	0	0	4.00
Our product line has increased with success	104	264	47	0	0	4.14
AVERAGE	127	253	35	0	0	4.22

Source: Researcher’s compilation, 2024.

Generally, table 4.5 reveals that 127 (representing 30.60%) of the respondents strongly agreed that organizations seek to achieve higher growth. Also, 253 (representing 60.96%) of the respondents agreed, 35 (representing 8.43 %) were neutral, while non-disagreed. With a cut-off mean of 4.51, it can be concluded that

majority of the respondents (91.2%) agreed that growth is highly needed for an organisation to achieve its goals.

4.2 Regression Results

This section presents the regression analysis of the two models used in the study.

From Table 4.5, R² which is the co-efficient of determination is 0.7321 and implies that the organizational capabilities account for 73.21% of variations in DMBs’ profitability while 26.79% of the variation in their profitability is accounted by factors outside this study. A Pro>f value of 0.0000 shows

that the regression model used by the study is fit since it is less than 0.05. accessibility

The coefficient of HM of 0.289 means that increases HR capabilities by one unit will improve DMB profitability by 28.9 %.

Table 4.6: Regression Result of the Growth model

Obs	415		
R ²	0.6989		
Sig	0.0000		
GW	Coefficient	T	P>/t/
HR	-0.656	-10.26	0.000
ITM	1.303	16.15	0.000

Source: Researcher’s compilation, (2024)

From Table 4.6, R² which is the co-efficient of determination is 0.6989 and implies that the organizational capabilities account for 69.89% of variations in DMBs’ growth while 30.11% of the variation in their growth is accounted by factors outside this study. A Pro>f value of 0.0000 shows that the

regression model used by the study is fit since it is less than 0.05. accessibility

The coefficient of ITM of -0.656 means that increases HR capabilities by one unit will reduce DMB growth by 65.6 %. Meanwhile, when HR capabilities are mediated by competitive advantage, there is a 45.2%

reduction in coefficient implying that there is a mediation effect.

4.3 Test of Research Hypotheses

This section of the study tests the research hypotheses stated in chapter one in their null forms.

Ho1: Human Resources capability has no significant effect on the corporate performance of listed Deposit Money Banks in Nigeria.

From 4.5 and 4.6, since the $p > /t/$ of 0.000 and 0.000 are all less than 0.05 level of significance, the null hypothesis is rejected. It therefore implies that organizational capability has a significant effect on the corporate performance of listed Deposit Money Banks in Nigeria.

Ho2: Information Technology Management Capability has no significant effect on the corporate performance of listed Deposit Money Banks in Nigeria.

From 4.5 and 4.6, since the $p > /t/$ of 0.021 and 0.000 are all less than 0.05 level of significance, the null hypothesis is rejected. It therefore implies that organizational capability has a significant effect on the corporate performance of listed Deposit Money Banks in Nigeria.

4.4 Discussion of Findings

From the analysis of this study, it was found that human resource capabilities have significant positive effect on the performance of listed DMBs in Nigeria. This is in line with the studies conducted by Chuang, Liu and Chen (2015), Kharmadekar and Sharma (2015) and Nyabuti, Chepkilot and Zakayo (2016). This implies that human resource capabilities elsewhere have also been found to be helpful in ensuring enhanced organizational performance. On the other hand, information technology capability has also been found to be both positive and significant to performance of listed DMBs in Nigeria. This agrees with studies conducted by Ohembe, Ojo and Ilori (2014) and Tanui (2015) who also discovered that information technology has positive significant effect on organizational performance. More so, the organizational capabilities effect on competitive advantage was found to be insignificantly positive. This finding is against the studies of Ndama (2020), Nzyoka and Munyao (2017) and Auk (2016) who found in their separate studies that organizational capabilities have positive effect on competitive advantage. It means that organizational capabilities are important to an organization effectiveness but this must not drive competitive advantage but rather competitive advantage can drive it. Relatedly, it was found that competitive

advantage can reduce both profitability and growth potentials, it is more related to impacting on profitability more than growth. The study finally found that competitive advantage is a partial moderator of the relationship between organizational capabilities and performance of listed DMBs in Nigeria.

5.0 Conclusion

The study investigated the effect of organizational capabilities on the Firm performance of listed Deposit Money Banks in Nigeria. The study used survey research design with both descriptive and inferential statistics to analyse the data collected from the respondents. With the 415 employees of these banks, it was found that organizational capabilities in the form of human resource and information technology capabilities have positive and significant effect on both profitability and growth potentials of the sampled DMBs in Nigeria.

6.0 Recommendations

Based on these findings, it was recommended that management of DMBs should consider the need to imbibe both the human resource and information technology capabilities to ensure that performance of their banks is guaranteed. This is because an increase in these capabilities has demonstrated that, performance can be improved. Furthermore, management of these banks should consider the application of their competitive edge over their competitors to ensure that those

identified capabilities are effectively utilized to promote organizational performance.

References

- Bartocho, E.J.K (2016). Utilization of Human Capital Resource Capabilities as a Competitive Tool in Organizations for improved Employee Performance in courier Companies in Kenya. *Global Journal of Human Resource Management*, 4(2), 21-29.
- Karami, A. (2014). How Human resources Capabilities Affect the Organizational Performance? The use of Electronic Industry in the UK.
- Chuang, H.M, Liu, M.J, & Chen, Y.S (2015).The Effects of Human Resource Capability and Internal Customer Satisfaction on Organizational Effectiveness. *International Journal of Destructive Sensor Networks*, 11(7), 835194.
- Nigam, A.K, Nongmaithem, S, Sharma, S.; &Tripathi, N. (2011). The Impact of Strategic Human Resource Management on the Performance of Firms in India: A Study of Service Sector Firms. *Journal of India Business Research*, 3(3), 148-167.
- Parkiani, M, Sajajeghe, S, &Ranjbar, M. (2011). Strategic Human Resource Management and Organizational knowledge creation Capability.

- International Journal of e-Education , e-Business, e-Management and e-Learning, 1(5), 416.
- Azubuike, V.M. (2013). Technological Innovation Capability and Firms Performance in New Product development communication of the IIMA, 13(1).
- Auw, E. (2010). Human Capital Capabilities and Competitive Advantage. International Review of Business Research Papers, 5(5), 25-36.
- ZawisiakCherabini Alves, Tello-Gamarra, Barbieux and Richert (2012). Innovation Capability from Technology development to Transaction Capability. Journal of technology Management & Innovation; 7(2) 14-27.
- Chae, H.C, Koh C.E.F prybutok, V.R (2014). Information Technology Capability and Firm performance: Contradictory Findings and Their possible cases. MIs Quarterly, 38(1), 305-326.
- Liu, P, Zhao, R.Y, Wang, W.L & Xiao, J (2013). Information Technology Capability Firm Performance. A Meta-Analysis, in Service Systems and Service Management (ICSSSM), 2013, 10th International Conference on (PP 719-724).
- Mithas, S, Ranasubbu, N. & Sambamarthy, V. (2011). How Information Management Capability Influence firm Performance, M.S quarterly, 237-256.
- Margarida, Maria & Madalena (2016).
- Nzyoka, J.M & Munyao J. & Kanuku, P(2017). Effect of Organizational Capabilities on Sustainable Competitive Advantage in Audit Firms: A case Study of deloiHe Limited. Journal of Business and Strategic Management, 2(3), 50-77.
- Lu, Y. & Ramamurthy, K. (2011). Understanding the Link between Information Technology Capability and Organizational agility: An Emprical Examination, Mis Quarterly, 911-954.

- Obembe, J. Ojo, J. & Ilori, M. (2014). Effects of Technological Capabilities, Innovations and Clustering on the Performance of Firms in the Nigerian Furniture Industry. *International Journal of Management Technology*, 2(2), 19-28.
- Nigam A.K. Nongmoithem, S, Sharma, S. & Tripathi, N(2011). The Impact of Strategic human resource management on the performance of firms in India: A study of Service sector firms. *Journal of Indian business research*, 3(3), 148-167.
- Nyabuti, J.K, Chepkilot, R and Zakayo, C. (2016). Impact of enhancing Human Resource Capabilities on Employee Performance in civil Service in Kenya. *Journal of Management and Business Administration*, vol 1(1), 29-55.
- Moloi, T. (2018). Analyzing the Human Capital Capabilities in the Enterprise Risk Management function of South Africans Public Institutions. *British and Economic Horizons*, 14(2), 375-388.
- Khandekar, A. & Sharma.A. (2015). Managing Human Resource Capabilities for Sustainable Competitive Advantage: An Empirical Analysis from Indian Global Organizations. *Educational Training*, 47(8-90), (628-639).
- Nforoge, G.J. (2014). Effects of Organizational Resources competitive Advantage on Firms Performance of Mobile Phone Industry in Kenya (Doctoral Dissertation, Kenyatta University).
- Kazmi, A. (2011). *Strategic Management and Business Policy*, 3rd Edition, New Delhi: Tata McGraw Hill Education Private Limited Publishing.
- Gupta, V, Gollakota, K, & Srinivasan (2014). *Business Policy and Strategic Management: Concepts of Applications*, Revised second Edition, New Delhi: PHL Learning private Limited publishing.
- Ndanu, K.R. (2014). Strategic Capabilities and Organizational Performance: A case of private Universities in Kenya. A Doctorate Thesis in Business Administration

- (Strategic Management) of Kenyatta University, Published.
- Competitiveness. *Journal of Manufacturing, Technology Management* 22(1), 6-24.
- Chika, A.C. Chike, N.K. and Ifeanyi, O.E. (2021). Effects of Organizational Capability on firm Growth: Implications on SMEs in Anambra State, Nigeria, In *European Journal of Business and Management Research*, 6(5), 9-13.
- Hatch, N. W. & Howland, C. (2015), when Does Competitive Advantage Improve Customer Welfare? In *Academy of Management Proceedings*, 2015(1), 1809.
- Okwemba, E.M. (2019), Influence of Organizational Capabilities on Non-financial Performance of Manufacturing firms in Kenya. A Doctorate Thesis in Business Administration at Jomo Kenyatta University of Agriculture and Technology, Unpublished.
- Njoroge, G.J. (2014), Effects of performance of mobile competitive Advantage on firms performance of mobile Phone Industry in Kenya (Doctoral Dissertation, Kenyatta University).
- Muhura, S.W (2014). Organizational Capabilities as a source of Competitive Advantage at Airtel Kenya. Unpublished MBA Project, Nairobi: University of Nairobi.
- Rabah, K (2015). Effects of Competitive Advantage on Organizational Effectiveness in Higher Educational Institutions: A case of Kabarak University, *American Solidological Review* 98(3), 147-168.
- Ahmed, S. Schroeder, R.G (2011). Knowledge Management through Technology Strategy: Impactions for
- Dubih/ela J. (2013). Determinants of Market Orientation Adaption among small and medium Enterprises (SMEs) in South Africa, Mediterranean. *Journal of social sciences*, 4(6), 55a,
- Srivastava M. Frankalin, A. & Martinette; (2013). Building a

- Sustainable competitive Advantage. Journal of Technology Management & Innovations 8(2), 47-60.
- Teece, D. Pisano, G. & Shuen, A (2017). Dynamic Capabilities and Strategic Management. Strategic Management Journal, 18(7), 509-533.
- Kazmi A. (2011). Business Policy and Strategic Management. 3rd Edition; New Delhi: Tata McGraw-Hill Publishers.
- Kim; N, Shin S. & Min, S. (2016). Strategic Marketing Capability: Mobilizing Technological Resources for New product Advantage. Journal of Business Research, 6(12), 5644-5652.
- Bonsu, S. (2017). Effect of Organizational Capabilities on Performance of Micro and Small family Business in Ghana: The Moderating Role of Environmental Characteristics, Unpublished Ph.D Thesis, Nairobi: University of Nairobi.
- Ogun Koya, O.A (2014). Dynamic Capabilities and Competitive Advantage: An Analysis of the Nigeria Banking Sector. The Journal of Accounting and Management, 21, 29-36.
- Stoner, J.A.F, Freeman.R. C. & Gilbert, D.R (2003). Management, 6th Edition; New Delhi; Porter. E.M (1985). Competitive Advantage, London: Free Press.
- Landy, F. Zedeck, S. & Cleveland, J (2017). Performance Measurement and Theory Taylor & Francis.
- Keegan, D.P, Eilek, R.G & Jones, C.R (1989). Are Your Performance Measures Obsolete? Strategic Finance, 70(12), 45.
- Yadav, P.L. Han S. H & Kin, H. (2017) Sustaining Competitive Advantage through Corporate Environmental Performance. Business Strategy and the Environment, 26(3), 345-357.
- Barney, J.B. (2015). Firm Resources and Sustained Competitive Advantage, International Business Strategy: Theory and Practice, 283, 298.
- Huang, K.F, Dyerson, R. W. U, L. Y & Harindranth, G (2018). From Temporary Competitive Advantage to Sustained Competitive Advantage.

British Journal of
Management, 26(4), 617-636.

Bharadwaj, S.G. Varadarajan, P.R. & Fahy,
J. (2015). Sustainable
Competitive Advantage in
Service Industries: a
Conceptual Model and

research propositions. In
Proceedings of the 1992
Academy of Marketing
service (AMS) annual
conference, Springer
International Publishing (pp
441 - 443).