

Empirical Analysis of Core Competence Management and Organisational Performance of First Bank of Nigeria Plc

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Abstract

Core competence management has evolved into a critical necessity for modern enterprises because of the need for employees to be trained in a number of methods to enable firms soar above competitors thereby gaining competitive edge. The main objective of this study is to evaluate core competence management and organisational performance in First Bank of Nigeria PLC. The study adopted the survey research designed because it was more suitable to elicit information from respondents hence the study is audience research. The researcher made use of tables and percentages and regression analysis was employed to test the hypothesis formulated in this study. The research found quality of training, customer service quality and competitive uniqueness as proxies of core competence management to be significant to organisational performance of First Bank of Nigeria PLC. The paper recommends among others that

Keywords: Core, Competence, Service, Organisation, Management

Introduction

Gaining access to a diverse set of ideas and solutions helps employees to be more effectively used and developed. Investing in functional abilities is a vital component of increasing workplace efficiency. This is because they are the foundation of the arrangement of cognitive and intellectual assets on which many organizations rely to attain their goals (Leontiades, 2001). Effort and money must be used to pick the finest, with specific emphasis on providing suitable training opportunities and continuous and moral incentives that contribute significantly to the different demands. Core competency management, as a key aspect of an organization, serves as a supporting force in distinguishing any firm from the competitors, necessitating their growth (Lambert, Paoline and Hogane 2006), The effectiveness of an organization's staff has a substantial impact on its capacity to achieve its objectives, succeed, and advance. Because of the importance put on workers' skills to execute their duties effectively and efficiently, it is reasonable to conclude that both people and organizations must make the necessary efforts to enhance their employees' abilities to perform their jobs effectively and efficiently. The success of each organization is determined by its resources and capabilities. Every human asset is capable of doing something. Employees are impossible to replace since they are a one-of-a-kind and valued asset. Companies seek to encourage and inspire their employees to give their all-in order to reach the company's objectives and aspirations since these attributes are one-of-a-kind and cannot be reproduced or imitated by others (Johnson & Scholes, 2002). Organizations must remember that a lack of employee commitment can result in additional costs and more negative behaviour, so they should focus on promoting employee innovation and fostering a sense of loyalty in their workforce, which can reduce the effects of employee turnover, as well as promoting the desire and inclination to stay in their organizations (Johnson, 2003). A company's source of competence may originate from a range of sources, such as modern technology or managerial skills. Organizations are frequently distinguished by their capacity to develop, coordinate, and integrate their competences in order to perform at a high level. As a result, the accumulation of experiences, talents, and derived abilities in the organization's outstanding human and technology resources is a significant and important aspect in the organization's strategy, resulting in the organization's support and enhancement of its competitive position (Leontiades, 2001). Many big Nigerian financial institutions have struggled as a result of low worker quality. This is due to their firms' inability to keep up with the quick changes in external factors as a result of a lack of proper training and development programs for these individuals. Ineffective human resource management has a detrimental influence on the quality of service provided by these employees, and bad

turnover management has a negative impact on the degree of employee engagement in these organizations. All of the challenges mentioned jeopardize the organizations' long-term aims and aspirations.

The study's primary goal is to examine core competence management and organizational performance. For the purpose of this study, core competence management proxies are training and development, customer service quality and competitive distinctiveness. The specific objectives are to.

- i. Examine the impact of training and development quality on organizational performance FBN.
- ii. Determine the impact of customer service quality on organizational performance FBN.
- iii. Examine the impact of competitive distinctiveness on organizational performance FBN.

In a null form, the researcher proposed the following hypothesis:

- i. Ho: There is no significant relationship between quality of training and development on organizational performance of FBN.
- ii. Ho: There is no significance relationship between customer service quality and organizational performance of FBN.
- iii. Ho: There is no significance relationship between competitive uniqueness and organisational performance of FBN.

The research focuses on Core Competency Management and Organizational Performance in the context of First Bank Nigeria Plc.

Conceptual Review

In management philosophy, core competency is a notion of Prahalad and Hamel (2012) characterized this as a "coordinated blend of varied resources and abilities that differentiates a corporation in the marketplace. Three factors must be met in order for core competences to be considered: Access to a diverse variety of markets is accessible; this contributes greatly to the perceived consumer benefits of the final product, which competitors find difficult to replicate. A number of academics have sought to define competence. According to Faerman, Thompson, and McGrath (1990) engaging tasks or projects were connected to skills. Cardy and Selvarajan (2006) stated that previous research' perspectives on competencies were the traits that could significantly separate high-qualified persons from those who performed poorly. Prahalad and Hamel demonstrate in their 1990 essay, "The Core Competence of the Corporation," that core competencies lead to the production of core goods, which may then be leveraged to generate a variety of products for end customers. Constant improvement over time, rather than a single huge shift, is how core capabilities are developed over time. Vertical integration is less crucial than the development of basic competencies in a quickly changing global economy. According to Prahalad and Hamel (2012), collective learning throughout the organization is a key competence. They are only applicable to corporate resource allocations since the SBU lacks the resources to execute them. Avoid watering down the idea of "core competency" since it is frequently used interchangeably with "something a company is exceptionally strong at." The authors of this book, Prahalad and Hamel, demonstrate how CEOs may build industry vision in order to adapt to changes in the market and identify resource-allocation procedures that enable the organization realize its goals despite any hurdles. It is critical for CEOs to have a vision for how core skills might be strengthened in the future in order to revitalize the process of launching new enterprises. Acquiring an independent vision and capabilities to capitalize on tomorrow's prospects is critical for future industrial success. A company's success requires both tangible and intangible resources, such as hard-to-find core talents. It is critical to maintain and improve one's abilities in order to adapt to future industry advances. For a variety of reasons, such as Microsoft's experience in several IT-based inventions, rivals find it difficult to copy or compete with Microsoft's core skills. While many executives are focused on decreasing costs, improving quality, and boosting productivity, they frequently neglect the need to develop a long-term corporate strategy since it requires significant intellectual labor and dedication. Their employer will compensate them if they can figure out the answers to the difficult questions. Therefore, this paper aimed to examine the core competence

management and organisational performance of First Bank of Nigeria PLC.

Organisational Performance

The final outcome of competent employees doing particular jobs in a workplace context is characterized as organizational success (Prasetya & Kato, 2011). According to Dharma's (1991) definition of performance, it is "anything created or provided by a group of individuals in an organization." According to Robbins (2001), when a worker is satisfied with his or her job, his or her performance increases and the task is completed more successfully. According to Brqndt, Krawcyck, and Kalinowski, there is a disconnect between employees' personal life and their professional performance (2008). If an employee is happy in his personal life, his job performance will increase. According to Prawirosentoso, performance is accomplished by functioning efficiently and without violating any regulation or organizational aim (2000). According to Mangkungara (2005), the quality of a job is a good predictor of an employee's performance. According to a range of perspectives on organizational performance, people who are excited and content with their work are more likely to succeed.

Research Methodology

This study employed field survey technique using a questionnaire. Structured questionnaires were used to collect the information needed for the inquiry. In order for the researcher to handle the data to be gathered, the population of this study comprises of all staff members of First Bank Plc which is about 7,616 from including both senior and junior personnel. The researcher employed the Taro Yamane sampling approach. The formula is as follows: -

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

Where N = Total Population = 7,616 from <http://www.firstbanknigeria.com>

E = 0.1,

$$\begin{aligned} &= \frac{7,616}{1 + 7,616(0.1)^2} \\ &= \frac{7,616}{1 + 7,616(0.01)} \\ &= \frac{7,616}{1 + 76.16} \\ &= \frac{7,616}{77.16} \\ N &= 99 \end{aligned}$$

The data was manually analyzed by coding and tabulating the responses from each questionnaire based on the factors involved. During the study, the raw results were transformed into percentages for ease of understanding. The coding enables simple cross-tabulation and data visualization in the form of tables, which helps our data analysis. Finally, to test hypotheses, basic regression or least square analysis was used, which is provided by Statistical programs for social sciences (SPSS version 23.0).

Data Presentation and Analysis

This section concerns data analysis and the testing of the proposed hypothesis.

Table 4.1: Questionnaire Analysis (Returned and unreturned)

	Frequency	Percentage (%)
Questionnaire returned	70	71
Unreturned questionnaire	29	29
Total questionnaire administered	99	100

Source: Field Survey, 2021

From the table above, out of the 99 questionnaires administered, 71 which is representing 71% were returned and 29 (29%) were unreturned.

Table 4.2: Sex Distribution of Respondents

Sex	Frequency	Percentage (%)
Male	45	64
Female	25	36
Total	70	100

Source: Field Survey, 2021

The table above shows that, out of the 70 questionnaires conducted, 45 respondents (64 percent) were males and 25 respondents (36 percent) were females, according to the results of the survey. It demonstrates that men constituted the vast majority of those who answered the survey questions.

Table 4.3: Marital Status of Respondents

Status	Frequency	Percentage (%)
Married	48	69
Single	22	31
Total	70	100

Source: Field Survey, 2021

According to the data in the table above, out of the 70 questionnaires that were administered, 48 of the respondents (69 percent) were married, while 22 of the respondents were unmarried (31 percent). It demonstrates that the vast majority of responders were married.

Table 4.4: Age Distribution of Respondents

Age Distribution	Frequency	Percentage (%)
20 – 30 years	15	21
31 – 40 years	21	30
41 – 50 years	25	36
51 & above	9	13
Total	70	100

Source: Field Survey, 2021

The table above shows that of the 70 questionnaires administered, 15 (21 percent) respondents were between the ages of 20 and 30 years, 21 (30 percent) respondents were between the ages of 31 and 40 years, 25 (36 percent) respondents were between the ages of 41 and 50 years, and 9 (13 percent) respondents were between the ages of 51 and above. It reveals that the vast majority of those who answered the survey questions were between the ages of 41 and 50.

Table 4.5: Educational Qualification of Respondents

Responses	Frequency	Percentage (%)
G.C.E/S.S.C.E	5	7
OND	20	28.5
HND	20	28.5
BSC	25	36
Total	70	100

Source: Field Survey, 2021

In the table above, 5 respondents (7 percent) had G.C.E./S.S.C.E. certificates, 20 respondents (28.5 percent) held OND certificates, 20 respondents (28.5 percent) held HND certificates, and 25 respondents (36 percent) held BSC certificates. It demonstrates that the vast majority of those who answered the survey were BSC holders.

Table 4.6: The nature of my work encouraged me to develop my skills and abilities.

Responses	Frequency	Percentage (%)
Strongly agreed	36	51
Agreed	30	43
Strongly disagreed	-	-
Disagreed	-	-
Undecided	4	6
Total	70	100

Source: Field Survey, 2021

According to the results shown in the table above, 36 respondents representing 51 percent strongly agreed, 30 respondents representing 43 percent agreed, and four respondents representing 6 percent were uncertain on the issue.

Table 4.7: My manager is keen to understand the major problems of subordinates and works to find solutions to them.

Responses	Frequency	Percentage (%)
Strongly agreed	46	66
Agreed	21	30
Strongly disagreed	-	-
Disagreed	-	-
Undecided	3	4
Total	70	100

Source: Field Survey, 2021

The chart above shows that 46 respondents (66 percent) strongly agreed, 21 respondents (30 percent) agreed, and three respondents (four percent) were unsure on the issue at hand.

Table 4.8: There is significant difference between training and development on firm adaptability.

Responses	Frequency	Percentage (%)
Strongly agreed	40	57
Agreed	30	43
Strongly disagreed	-	-
Disagreed	-	-
Undecided	-	-
Total	70	100

Source: Field Survey, 2021

According to the results in the table above, 40 respondents, or 57 percent, strongly agreed, whereas 30 respondents, or 43 percent, agreed that there is significant difference between training and development on firm adaptability.

Table 4.9: There is level of significance in performance management on service quality

Responses	Frequency	Percentage (%)
Strongly agreed	45	64
Agreed	25	35
Strongly disagreed	-	-
Disagreed	-	-
Undecided	-	-
Total	70	100

Source: Field Survey, 2021

From the table above, 45 respondents representing 64% strongly agreed while 25 respondents representing 35% agreed that there is level of significance in performance management on service quality.

Table 4.10: I have extensive powers during the performance of my duties

Responses	Frequency	Percentage (%)
Strongly agreed	40	57
Agreed	23	33
Strongly disagreed	2	3
Disagreed	3	4
Undecided	2	3
Total	70	100

Source: Field Survey, 2021

From the table above, 40 respondents representing 57% strongly agreed, 23 respondents representing 33% agreed, 2 respondents representing 3% strongly disagreed, 3 respondents representing 4% disagreed while 2 respondents representing 3% undecided that they have extensive powers during the performance of my duties.

Table 4.11: My work includes various tasks and duties

Responses	Frequency	Percentage (%)
Strongly agreed	43	61
Agreed	20	29
Strongly disagreed	2	3
Disagreed	3	4
Undecided	2	3
Total	70	100

Source: Field Survey, 2021

From the table above, 43 respondents representing 61 percent strongly agreed, 20 respondents representing 29 percent agreed, 2 respondents representing 3 percent strongly disagreed, 3 respondents representing 4 percent disagreed while 2 respondents representing 3 percent uncertain that their work includes various tasks and duties.

Table 4.12: My manager encouraged me to put forward ideas to contribute to the improvement of doing my job.

Responses	Frequency	Percentage (%)
Strongly agreed	43	61
Agreed	25	36
Strongly disagreed	2	3
Disagreed	-	-
Undecided	-	-
Total	70	100

Source: Field Survey, 2021

From the table above, 43 respondents representing 61 percent strongly agreed, 25 respondents representing 36 percent agreed while 2 respondents representing 3 percent strongly disagreed with the opinion that manager encourage them to contribute their ideas towards improvement on the job.

Table 4.13: My manager allows me to participate in various training programs to develop my skills and capabilities

Responses	Frequency	Percentage (%)
Strongly agreed	50	71
Agreed	20	29
Strongly disagreed	-	-
Disagreed	-	-
Undecided	-	-
Total	70	100

Source: Field Survey, 2021

From the table above, 50 respondents representing 71 percent strongly agreed whereas 20 respondents representing 29 percent agreed that manager allows them to participate in various training programs to develop their skills and capabilities.

Table 4.14: My manager allows me to depend on my capabilities to find quick solutions to the problems that are face in my work.

Responses	Frequency	Percentage (%)
Strongly agreed	48	69
Agreed	22	31
Strongly disagreed	-	-
Disagreed	-	-
Undecided	-	-
Total	70	100

Source: Field Survey, 2021

From the table above, 48 respondents representing 69 percent strongly agreed whereas 22 respondents representing 31 percent agreed that manager allows them to depend on their capabilities to find quick solutions to the problems they encounter on their work.

Table 4.15: My administrative unit is characterized by the incentives to develop the ways of performing the work

Responses	Frequency	Percentage (%)
Strongly agreed	40	57
Agreed	27	39
Strongly disagreed	-	-
Disagreed	-	-
Undecided	3	4
Total	70	100

Source: Field Survey, 2021

From the table above, 40 respondents representing 57 percent strongly agreed, 27 respondents representing 39 percent agreed while 3 respondents representing 4 percent unsure about whether their administrative unit is characterized with incentives to develop the ways of performing the work.

4.2 Test of Hypotheses

Hypothesis One

Ho: Training and development does not influence organisational performance of First Bank Nigeria PLC.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.935 ^a	.889	.886	.92214	.889	2134.276	1	152	.000	4.321

a. Predictors: (Constant), Training and Development

b. Dependent Variable: Organisational performance

The r square value of .889 (89 percent) implies that there is a large variation in firm between training and development. The Adjusted R square of .886 (89 percent) implies that there is a large difference in training and development. The Durbin Watson value is 4.321, it implies that there is no first order serial correlation, making the result acceptable. As a consequence, the null hypothesis, which suggested that there is no major difference between training and development and organisational performance was rejected, but the alternative hypothesis was retained.

Hypothesis Two

Ho: Customer service quality does not have significant influence on organisational performance.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.925 ^a	.819	.815	.81154	.819	1194.170	1	152	.000	4.421

a. Predictors: (Constant), Service Quality

b. Dependent Variable: Organisational performance

The r square value of .819 (82 percent) implies that customer service quality has a substantial link with

organisational performance. The Durbin Watson value is 4.421, it implies that there is no first order serial correlation, making the result acceptable. As a consequence, the null hypothesis, claiming that there is no degree of relevance between customer service quality and organisational success was rejected, whilst the alternative hypothesis was supported. This clearly proved the relevance of customer service quality to the performance of a business.

Hypothesis Three

Ho: Competitive uniqueness does not influence organisational performance of FBN.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.945 ^a	.719	.835	.81154	.819	1194.170	1	152	.000	4.211

a. Predictors: (Constant), Service Quality

b. Dependent Variable: Organisational performance

The r square vale of .719 (72 percent) implies that performance management has a level of relevance on service quality. The Adjusted R square of .835 (83 percent) implies that there is a level of relevance between competitive distinctiveness and organisational performance of First Bank of Nigeria PLC. Because the Durbin Watson value is 4.211, it implies that there is no first order serial correlation, making the conclusion acceptable. As a consequence, the null hypothesis, indicating there is no significance between competitive distinctiveness and organisational performance of FBN. Therefore, we adopt the alternative hypothesis which argues that there is significance between competitive distinctiveness and organisational performance of FBN.

Summary of Findings and Recommendations

First Bank of Nigeria Plc was utilized as a case study in this study on core competence management and organizational performance. The Adjusted R square of 0.886 indicates that there appears to be a substantial difference between training and development in terms of firm adaptability (89 percent). This is consistent with the findings of the prior chapter's literature assessment, as management skills training is widely advertised as a tool to assist outstanding young managers maximize their potential. Is it really necessary to attend management training courses to formalize your management abilities when you already have a strong educational and professional background and are well-known for your performance. For the second hypothesis, the adjusted R square indicated a degree of significance of .815, showing that performance management had a considerable influence on service quality (82 percent). Performance indicators can be used in a variety of contexts, including decision-making, control, steering, training, learning, and external communication. (Simons, 2000) Customers will be happy, and the firm will be able to compete economically if high-quality service is provided. Improving customer service quality has the ability to boost the country's economic competitiveness. To accomplish this aim, it is necessary to have a solid understanding of operating processes, be able to identify issues quickly and systematically, have accurate and reliable measurements of service performance, and maintain track of customer satisfaction and other performance indicators. Customers' expectations of a service are influenced by factors such as recommendations, personal requirements, and prior experiences.

The following suggestions are made in the research paper:

- i. Human resource experts should embark on continuous training and development of their employee to enhance their skills and improve the overall performance of the organisation.

- ii. Organizations should seek the help of specialists/consultants to assess them and design a unique competence model. By outsourcing the entire process, a company may find the root reasons of its labour problems.
- iii. Organisation should ensure continuous improvement of customer service by giving customers value for their money.

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