

## **Knowledge Acquisition and Firm Competitiveness of Deposit Money Banks in Port Harcourt, Nigeria**

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### **ABSTRACT**

*The study examined the relationship between knowledge acquisition and firm competitiveness of Deposit Money Banks in Port-Harcourt, Rivers State. The study adopted a cross-sectional survey in its investigation of the variables. Primary data was generated through self-administered questionnaire. The Taro Yamane formula was used to determine the sample size of 202 employees of 5 selected Deposit Money Banks in Port-Harcourt, Rivers State. The reliability index was 0.736 and 0.711 respectively and it was achieved using the Cronbach alpha co-efficient aided with Statistical package for Social Science. The hypotheses were tested using the Spearman's Rank Order Correlation Coefficient with the aid of Statistical Package for Social Sciences version 23.0. The tests were carried out at a 95% confidence interval and a 0.05 level of significance. The hypotheses stated earlier were rejected based on the evidence from the test result. The result revealed that knowledge acquisition has an impact on firm competitiveness and its measures (Technological Readiness and Innovativeness). It was concluded that there is a strong positive and significant relationship between Knowledge acquisition and firm competitiveness in Deposit Money Banks in Port-Harcourt, Rivers State. This study recommends that the managers of the deposit money banks should ensure that bank identifies what knowledge it has to compare itself, with its counterparts in the particular industry to remove the gap existing between them. Thus, an organization should generate knowledge within itself by founding a supporting environment, which will foster employee's productivity.*

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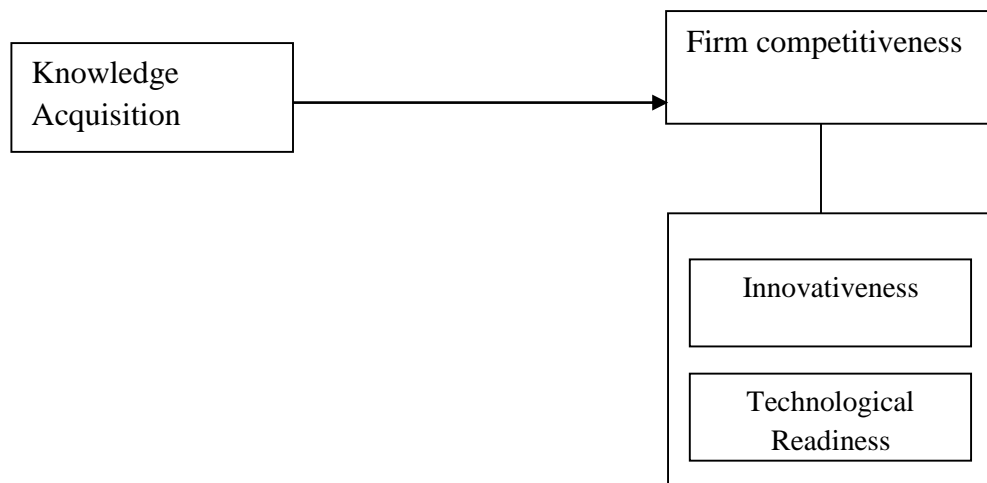
### **INTRODUCTION**

Today's extremely competitive and uncertain business environments together with the requirements of the knowledge based society, the expansion of information technologies and changes in the arrangement of our labour force is a reality which poses new challenges for organizations and their management. Organizations can hardly compete without highly skilled workers and without the continual investment in human capital. To have the right people in the right places and in the accurate time is critical for any organization to achieve competitive advantage. Furthermore, the success of any organization depends strongly on having talented individuals in its workforce. In Porter's (1980) view, the paths of industry evolution depend (among other things) on firms' strategic choices. Within the view of competitiveness as a driver of all

research contributions about the sources of a firm's competitive advantage are included. The main classification of the sources of a firm's competitiveness distinguishes between internal sources, i.e. sources that arise from a firm, and external sources, i.e. industry- and country-based factors. Internal sources could be classified as tangible and intangible and employee-related and firm related (Cater, 2005).

Knowledge is not just a type of property to be possessed and transferred, it is an innately human Quality, it is also an attribute that can partly define and distinguishes one person from another. It is an individual's tacit ideas or knowledge posed on the job and refuses to share it with others (Baskerville &Dulipovici, 2006). It is acquired during the course of one's job belongs to the organization rather than the individual, However, some individual perceive it as their personal intellectual property and do not share it with the others in the organization. According to Gabriel (2012) because knowledge is an asset to its holder, not many organizations' member can volunteer their knowledge easily particularly with respect to tacit knowledge, this condition holds because people could be afraid of manufacturing their own alternatives and hence would not want anyone to know what they know leading to a Gap in literature or knowledge. Knowledge sharing is one key success factor for organizations especially, in the area of information technology or in dynamic environment of business.

### Conceptual framework



**Figure 1.1:** A conceptual framework of the relationship between knowledge acquisition and Firm competitiveness and Organizational culture.

*Source: Researchers Desk (2019)*

This study was guided by the following research questions:

- i. How does knowledge acquisition influence Innovativeness of deposit money banks in Port-Harcourt, Rivers State?

- ii. How does knowledge acquisition influence technological readiness of deposit money banks in Port-Harcourt, Rivers State?

The foregoing argument gave rise to the following hypotheses

**H<sub>01</sub>:** There is no significant relationship between knowledge acquisition and innovativeness of deposit money banks in Port-Harcourt, Rivers State.

**H<sub>02</sub>:** There is no significant relationship between knowledge acquisition and Technological Readiness of deposit money banks in Port-Harcourt, Rivers State.

## LITERATURE REVIEW

### Theoretical Foundation

The baseline theory for this study was drawn or anchored on the Social learning theory also referred to as social cognitive theory postulated by Wang & Ahmed (2002) is built around observational learning. Rollinson, Broadfield, & Edward (1998) argued that the theory mainly focuses on the importance of social interaction or interpersonal skills in learning. The theory holds that people learn within a social context which must be understood to appreciate the change in human behaviour. This notwithstanding, social learning theory has implication for research on organizational learning and knowledge management. The broad premise of the organization learning movement according to Buchanan (2000) is that an organization which lacks the capabilities for acquiring and utilizing existing knowledge, and source for fresh insights, is likely to face extinction in the competitive economy. Consequently, the learning organization creates a clear vision about the future and through a coherent action plan of steady transformation, moves towards the envisioned business position. Based on the literature review introduced earlier, knowledge management leads to innovation which also leads to the creation of firm competitiveness (Smith & Meso, 2000; Gupta, 2009). The major goal of knowledge management is to enhance innovation. The knowledge management is critical to successful innovation because the innovation process is, by its nature, knowledge intensive (Gloet & Terziovski, 2004) therefore; knowledge management is a contributor to firm competitiveness through organizational innovation. It is clear that there a link between social learning theory, knowledge management practices and firm competitiveness in an organization.

### Firm Competitiveness

The turbulences and the dynamisms that are experienced in this new century poses a lot of challenges and threats for individuals, countries and businesses in particular. The survival of firms in this era completely depends on the ability of the firm to compete favorably in the market or industry in which they operate (Ambastha & Momaya, 2004). Competitiveness is the capacity of a firm to sustain and fulfill its double purpose; meeting customer requirements and a profit. The condition opened to this, is for firms to be able to detect and adapt to changes in the environment

and within the firm by meeting competitive market criteria permanently and more favorable than other rival (Chikan, 2008). Firm's level competitiveness is the ability of firm to design, produce and or market products that are superior to those offered by other competitors putting into consideration price and non – pricing qualities (D'cruz, 1992).

### **Innovativeness**

Organizational Innovativeness is the organization's overall innovative capability of introducing new products to the market, or opening up new markets, through combining strategic orientation with innovative behavior and processes (Wang & Ahmed, 2004). Five main dimensions determine an organization's innovative capability; Product Innovativeness refers to the novelty and meaningfulness of new products introduced to the market in a timely fashion. Market Innovativeness: refers to the newness of approaches that companies adopt to enter and exploit their targeted market. Process Innovativeness refers to the introduction of new production methods, new management approaches, and new technology that can be used to improve production. Innovation refers to the combination of recent development made by the company over time. Zahra & Das (1993) articulate that measurement does not consider innovation in other business-related applications, such as information technology and innovative organizational design.

### **Technological Readiness**

Parasuraman (2000) defined technological readiness as a firm's or individual's propensity to embrace and use new technologies to realize goals at work or home. Other scholars added that the technological readiness of an organization can be measured as the proper assessment of program concepts, technological requirement and demonstrated technological capabilities. Technological readiness can be defined as the agility with which the individual or organization adopts the existing technologies to enhance the productivity in their individual lives or production process. This has increasingly progressed from this to the dissemination of knowledge and information to the increasing use of information and communication technology which is now wide spread. They further described technological readiness as the ninth pillar of national competitiveness and it is a key – factor for efficiency driven economy in stage II development. The creation and development of knowledge is an important and intrinsic feature of Knowledge management (Dul, Ceylan, & Jaspers, 2011; Nonaka, 1991; 1994; Nonaka& Takeuchi, 1995; Pan &Scarbrough, 1999).

### **Knowledge Acquisition**

The creation of knowledge is essential for the survival of any organization. Knowledge creation is an activity that occurs throughout daily activities, at work or in social setting. Knowledge creation occurs in many dynamic forms, which could be through humanistic means (such as formal training or talking with people who share similar interests) or technical mechanisms (data mining activities). Knowledge creation is primarily a human process; technology can facilitate knowledge creation but cannot replace people. Organizations leverage on their ability to create knowledge, innovate, and generate value with new knowledge. This is knowledge that leads to new and innovative products; knowledge that improves internal processes and operations; or knowledge to improve the strategic decision-making capabilities and direction of the organization. Hislop (2013) argued that the ability to create knowledge and generate a competitive advantage is now essential for any organization that wishes to remain sustainable within its marketplace. The need to create

knowledge in organization has been identified above. It is equally important to point out that, in order for any activities requiring knowledge to be effective, knowledge held by organizations must be easily accessible and retrievable.

### **The Relationship between Knowledge Acquisition and Firm Competitiveness**

Knowledge acquisition is how firms access and put knowledge to use, that is, their ability to assimilate information (Grant, 1996b; Grant, 2002). It begins with identifying knowledge in the external environment, and then putting it to use within the firm. A survey conducted by Lin & Lee (2005) found that, knowledge acquisition is positively related to innovative competitive performance. Knowledge acquisition is associated to the discovery or creation of knowledge (Siggelkow & Levinthal, 2003). It has been observed by researchers that policies, structures and processes are developed by organizations to advance learning and knowledge acquisition. Knowledge acquisition is associated to the discovery or creation of knowledge (Siggelkow & Levinthal, 2003). There are various sources from which knowledge can be acquired and they are also of great diversity. Thus, each source might have relationships with an extensive range of issues an organization can face (Rosenkopf & Nerkar, 2001). Acquisition of knowledge can be from outside the organization such as inter-organizational relationships, strategic alliances, social networks, competitors and also customers or it could be from inside the organization such as individuals in the form of prior acquired skills and experiences. The acquired knowledge might be in the form of data and/or information about its competitor's products, services or processes, technological advancement or other similar information that will add value to the organization (Gupta, Smith & Shalley, 2006).

### **METHODOLOGY**

The study examined the relationship between knowledge acquisition and firm competitiveness of Deposit Money Banks in Port-Harcourt, Rivers State. The study adopted a cross-sectional survey in its investigation of the variables. Primary data was generated through self-administered questionnaire. The population of this study was drawn from only the Tier 1 deposit money banks out of the three Tiers, in which some study refer them as the (5) main banks in Nigeria, with Regional Headquarters in Port-Harcourt, Rivers State. They have International Authorization and control 70% of the industry. The population figure of two hundred and two (202) of this study was obtained from the various Regional Human Resource Managers of the banks. The target population of this study constitutes the following units; Customer Care, Customer Relations/marketers, Teller/Account, Fund Transfer, and Support staff including the contract staff of the banks. The Taro Yamane (1973) was used to determine the sample size of 134. The reliability index was 0.736 and 0.711 respectively and it was achieved using the Cronbach alpha co-efficient aided with Statistical package for Social Science. The hypotheses were tested using the Spearman's Rank Order Correlation Coefficient with the aid of Statistical Package for Social Sciences version 23.0. The tests were carried out at a 95% confidence interval and a 0.05 level of significance.

**Table 1: Reliability Coefficients of variable measures**

S/No	Dimensions/Measures of the study variable	Number of items	Number of cases	Cronbach's Alpha
1.	Knowledge Acquisition	4	112	0.729
2	Innovativeness	4	112	0.714
3	Technological Readiness	4	112	0.724
4	Organizational Culture	4	112	0.711

*Source: Research data output, 2019*

## DATA ANALYSIS AND RESULTS

**Table 2: Correlation Matrix for Knowledge Acquisition and Measures of Firm Competitiveness**

			Knowledge Acquisition	Innovativeness	Technological Readiness
Spearman's rho	Knowledge Acquisition	Correlation Coefficient	1.000	.754**	.686**
		Sig. (2-tailed)	.	.000	.000
		N	112	112	112
	Innovativeness	Correlation Coefficient	.754**	1.000	.686**
		Sig. (2-tailed)	.000	.	.000
		N	112	112	112
	Technological Readiness	Correlation Coefficient	.686**	.686**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	112	112	112

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

*Source: SPSS 23.0 data Output, 2019*

***H<sub>01</sub>: There is no significant relationship between knowledge acquisition and innovativeness of deposit money banks in Port-Harcourt, Rivers State.***

The correlation coefficient (r) shows that there is a significant and positive relationship between knowledge acquisition and innovativeness. The rho value 0.754 indicates this relationship and it is significant at  $p\ 0.000 < 0.05$ . The correlation coefficient represents a strong correlation between



the variables. Therefore, based on empirical findings the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between knowledge acquisition and innovativeness of deposit money banks in Port-Harcourt, Rivers State.

***Ho<sub>2</sub>: There is no significant relationship between knowledge acquisition and technological readiness of deposit money banks in Port-Harcourt, Rivers State.***

The correlation coefficient (r) shows that there is a significant and positive relationship between knowledge acquisition and technological readiness. The rho value 0.686 indicates this relationship and it is significant at  $p\ 0.000 < 0.05$ . The correlation coefficient represents a strong correlation between the variables. Therefore, based on empirical findings the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between knowledge acquisition and technological readiness of deposit money banks in Port-Harcourt, Rivers State.

## **DISCUSSION OF FINDINGS**

The first and second hypotheses sought to examine the relationship between knowledge acquisition and firm competitiveness. It was hypothesized that there is no significant relationship between knowledge acquisition and firm competitiveness. These hypotheses were tested using the spearman rank order correlation technique. Data analysis revealed that there is a positive and significant relationship between knowledge acquisition and innovativeness and technological readiness.

The current findings corroborate the findings by Grant(1996b, 2002) who stated that Knowledge acquisition is how firms access and put knowledge to use, that is, their ability to assimilate information. It begins with identifying knowledge in the external environment, and then putting it to use within the firm. Acquisition occurs through the following: external activities, research and development, performance reviews, or analysis of competitor's products or internal activities, such as cross-functional teams, employee suggestions, or task experience. Lin & Lee (2005) found that, knowledge acquisition is positively related to innovative competitive performance.

Ahmad *et al* (2013) and Abdel *et al* (2013) noted that knowledge identification and knowledge acquisition are important for an effective practice of knowledge management. William, John and Peter (2012) carried out a research trying to fill the research gap surrounding that particular knowledge management process called knowledge identification. The paper reports on the findings of a survey sent to 973 Australian organizations to investigate their knowledge identification practices. The survey findings show that while organizations do perceive knowledge identification to be important, the practice of knowledge identification has not reached mainstream adoption yet.

Considering knowledge acquisition in technologically advanced enterprises' sample, researchers (Yli-Renko, Autio, and Sapienza, 2001) recognized the following factors as relevant: social interaction, networks and relationships with clients, technological specificity of products on the market and other. Similar to that, Smith, Collins and Clark note that the strength of relationships with clients, as well as the level of employees' education is very important for knowledge acquisition (Smith, Collins & Clark, 2005).

## CONCLUSION AND RECOMMENDATION

From the data generated and analyzed, the study concludes that a strong positive and significant relationship exists between Knowledge acquisition and firm competitiveness of deposit money banks in Port Harcourt, Rivers State. Knowledge acquisition increases as firm innovativeness and technological readiness also increases among workers in deposit money banks.

This study recommends that the managers of the deposit money banks should ensure that bank identifies what knowledge it has to compare itself, with its counterparts in the particular industry to remove the gap existing between them. Thus, an organization should generate knowledge within itself by founding a supporting environment, which will foster employee's productivity.

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