



Selective Competence Renewal and Organizational Performance in the Nigerian Telecommunication Sector

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Abstract

This study primarily is a scientific in-road into deeper understanding of the strategic implication of selective competence renewal influence on organizational performance in the telecommunication sector of Nigeria. This attempt underscores the role of employee competencies and skills in the characteristic competitive business environment. The study has used the questionnaire primarily as the instrument for obtaining data having confirmed its validity and reliability with a Cronbach alpha value of 0.81. The data were analyzed inferentially and it was shown that selective competence renewal is a strategic competitive component of organizational politics at the macro level that ensures agility, improved service delivery and innovative practices. It was concluded based on the findings that selective competence renewal encourages and strengthen firms from competitiveness. It has also been recommended based on the findings that organization should promote skill/competencies enhancement programmes that are targeted at value adding and encourage knowledge sharing among work members.

Keywords: Competence, Renewal, Infrastructure, Targeted Skill Acquisition, Programmed Training.

INTRODUCTION

Organizations within complex and highly competitive environment should not only rely on materials and financial resources as a means of staying competitive and attaining optimal performance but should also rely on quality strategic skills and competences amongst employees that provides unique advantage and shared culture within the organization. Analyzing the organization in terms of its human resource competencies and intellectual formation constitutes an important approach to undertaking certain strategic aspects of organizational activities (Hebron et al, 2008; Millow, 2010). Selective competence renewal remains one of the promising concept in both strategic management and organizational development literature (Garrud, & Karnoe, 2001; Levinthal and Perup, 2005; Siggukow and Levinthal, 2005; Singh, 2006; Crossan, et al, 2009). This is increasingly the case when associated with organizational politics which has been hitherto viewed in some scholarly conceptualizations as improving negative values of 'politicking' at work. Of course this is a delusion that needs to be reviewed. The uniqueness of the concept of selective competence renewal is explained to the extent that it deliberately takes cognizance of differed skills and competencies. Hardy (2008) believes that it is necessary to hold on to the idea of selective competence renewal as a heuristic device for explaining the theory of politics in work organizations. In otherwords selective competence renewal is descriptive in nature with a view to quantifying organizational politics in work organizations. Be that as it may, it is a

strategically focused activity that identifies and refines work skills that facilitates attempts at achieving optimal performance.

In this study, the focus is on the selective competence renewal and its link with organizational performance. Precisely, through operationalized selective competence renewal and organizational performance constructs we intend to determine the empirical link between the variables. The empirical evidence on this subject is quite sparse for emerging economies or markets in which the Nigerian telecommunication sector is a part.

Significance of the Study

The study on selective competence renewal as a component of organizational politics is quite a renewed effort at giving functional meaning to the hitherto described negative tendencies of the concept of politics at work. The results of this study will no doubt illuminate the conceptual horizon on organizational politics operationalized through the strategic practice of selective competence renewal as a key success factor that facilitates the attainment of goals. Managers and industry operators alike will rely on the study outcome in considering strategic skills as core competitive instruments that likely enhance effort at goals. It will also provide a basis for renewing stakeholders thinking on the plausible and incisive use of the selective competence renewal component of organizational politics as a means of achieving desired financial goals.

Objectives of the Study

There is increased need for finding out various phenomenal actions that organizations have to undertake to achieve goals. This is with a view to channeling appropriately scarce organizational resources to activities that best optimize performance. Therefore, the general objective of this study is to examine the link between selective competence renewal and organizational performance. Specifically it will find out how the dimensions of the construct which includes programmed training, targeted skill acquisition, competence analysis and strategic infrastructure relates with organizational performance in the telecommunication sector.

LITERATURE REVIEW

Selective competence renewal

There is huge evidence in strategic management literature on the crucial role of human resource skills and competences in achieving strategic goals (Jarius, 2006; Hardy, 2008, Millow, 2010). Continuous overhauling and acquisition of work skills and competences has also shown prominence in organizational development discourse (Maxwell, 2005; Jarius, 2006; Karien et al, 2006; Oladejo, 2007; Morrison, 2010) Morrison (2010) is of the view that the increasing rate of dynamism in the environment of organization with avowed technological changes must be matched with commensurate skills and competencies for effective and efficient operations management. It is argued in the work of Ephraim et al (2007) that when confronted with change as it were, managers are disposed to the application of core skills and competencies as operational facilities for ensuring effectiveness. Therefore strict planning and monitoring of competencies is a premium that needs to be underscored. These conceptualizations have stirred the debate on selective competence renewal. Selective competence renewal according to Gerald (2009) is a process that is sequenced in multiphases but notable amongst them is the behavioural and structural components. Mena and Samebon (2010) have in their work espoused a distinctive framework on selective competence renewal and viewed it in the light of the strategic role expected. The authors had discussed thematically the selective competence renewal in terms of its ability to ensure programmed and targeted skill and competencies approach for acquiring new skills while at same ensuring renewal of

existing skills profile of organizations. Further it also stated its capacity to consider and reconsider skills through critical competence analysis. Mena and Samebon (2010) also expanded their conceptual latitude on selective competence renewal to include strategic infrastructures which they described as techno-structural aspects. Thus, renewing competencies is an integrative organizational exercise that is strategically conducted to achieve performance goals. Kassim and Zain (2004) made a point for enterprise infrastructures that aid competence renewal aside managerial dynamics. These infrastructures are levers that are used to leverage renewal of competencies and capabilities and ensure success.

Daisy (2010) believed that operationalizing selective competence renewal using Mena and Samebon model is obviously illuminating but has spiritedly argued that when firms develop selective competence renewal culture as a strategic thrust for maintaining and positioning in their market, they strive for improved performance. Infact, many other contributions consider selective competence renewal as fundamental to the entire performance effort (Zhang and Shariff, 2000; Jarius, 2006; Oladejo, 2007; Henry and Ibidanjo, 2010). Fabian (2008) emphasizes the capacity of selective skill and competence renewal to evolve a competent and agile workforce that is capable of stemming change and competitiveness. It strengthens the organization through its analytical characteristics and promotes investment in viable work skills and competences that encourages operational efficiency.

Selective Competence and Organizational Performance

Contemporarily, quite a handful of studies have emerged with the focus of examining the relationship between some strategic organizational actions especially as it relates with competencies, capabilities and performance of organization (Benard & Toche, 2000; Parsley, 2004; Karien et al, 2007; Alzaran and Raja, 2010). In any case, early studies exist that underscore the positive effect of employee competencies on organizational performance but with conceptual difference on the measures of performance. Much of the prescriptive literature has relied much on financial measures for organizational performance and has restricted their conceptual horizon to financial result. This conceptual limitation had however drawn the attention of Kaplan and Norton (1992) who had interestingly expanded the conceptual latitude of organizational performance to include both financial and nonfinancial measures. For instance, outcomes of reviewed competencies may include behavioural and process changes that may have their implicit roles on goals desired. In fact, Bontis et al (2002) have established in their study an empirical link between some work place strategic actions and employee job satisfaction which proximate desired performance for the organization. Skerlavaj (2007) has also demonstrated a positive link between organizational learning as a strategic organizational action and financial and nonfinancial measures.

Importantly, there is a strong consideration by many authors recently for competences renewal as a fundamental competitive action needed for performance improvement. Some had argued that it provides the capabilities needed to respond swiftly to increased customer demand through its ability to create new products and readily make them available to customers in the market (Zain, 2004; Miller, 2007; Karien, et al, 2007; Basil & Ermerna, 2009). While this is assured, empirical evidence to support this position is obviously scanty especially within emerging markets. Nancy (2008) emphasized the importance of strategic renewal in work process and product development as a definite competitive strategy for firm repositioning in her environment and had expectedly showed its positive association with organizational performance measure of increased market share. In our view such renewal effort comes through the strategic human resource whose work skills and competencies are

needed for all organizational activities therefore need to be viewed from that perspective. Nujoma (2009) is of the view that when competencies are targetedly renewed it conveys reliance on their transformative capability to bring about results in some unique form either behaviourally or cognitively which in turn ensure organizational success. All of these intuitive assumptions require empirical evidence that shows the nature of the relationship between selective competence renewal dimension and the performance measures which are in this study viewed from both financial and nonfinancial perspective therefore hypothesized thus:

- H01: Programmed Training does not relate significantly with organizational performance
 H02: Targeted Skill Acquisition does not relate significantly with organizational performance
 H03: Competence Analysis does not relate significantly with organizational performance
 H04: Strategic infrastructure does not relate significantly with organizational performance

METHODOLOGY

Contemporary research attempts have been sufficiently anchored on positivist epistemology as a premise for theory building in social science field (Creswell, 1997; Locke et al, 2004; Maxwell, 2005). This study is conducted based on the positivist philosophy that guarantees the application of nomothetic method which is essentially quantitative. The questionnaire was served as the primary instrument for generating data from a sample of 56 managers that were randomly drawn from the different firms that operates in the telecommunication sector. Their response rate was interesting as they showed commitment to the study. We had regularly visited them to ensure retrieval of all the survey instrument and some of them used e-mails in return. Descriptive and inferential methods were used in our data analysis to extract meaning thereof.

MEASUREMENT

For appropriate measurement of the variables examined in this study, it has adapted and relied on existing validated instruments for the predictor and criterion variable. In the case of selective competence renewal which is the predictor, Mana and Samebon (2010) 24 item scale was applicable. The scale has previously shown reliability when applied by Egarevwa (2011) with an alpha of 0.843. For the criterion variable which is performance, the study adapted Olaleru (2010) consolidated 12 item scale which the author adapted from the works of Lai (2003) Belgin (2004) and Miller (2007) with a reliability alpha of 0.76. All the items were measured using the five point likerts scale of Strongly Agree = 5 to Strongly Disagree = 1.

RESULTS

Table 1: Descriptive outcome and composite item reliability alpha for the examined variables

S/N		Mean	Std	n	No. of Item	Correlation
1	Programmed Training	3.541	0.490	56	6	0.89
	Targeted Skill Acquisition	3.702	0.346	56	6	0.91
	Competence Analysis	3.765	0.473	56	6	0.74
	Strategic Infrastructure	3.771	0.366	56	6	0.72
	Value of Assets	2.706	0.955	56	4	0.83
	Innovativeness	2.486	1.520	56	4	0.83
	Agility	3.111	0.716	56	4	0.71

Table 1 shows the descriptive outcome of the examined constructs and the results on the reliability of the instrument based on the question items. The reliability cronbach alpha result on the different dimensions and measures of the constructs examined using the Nunnally

(1984) threshold alpha of 0.7, the instrument is reliable since the lowest alpha is 0.71 and this adjudged okay. The descriptive are also indicative of selective competence renewal practices with studied firms.

Table 2: Link between Selective Competence Renewal and Organizational Performance

Organizational Performance	Selective Competence Renewal	Pearson Coefficient	R	R ²
OP	Programmed Training	0.334**	.497	.247
	Targeted Skill Acquisition	0.278**		
	Competence Analysis	0.514**		
	Strategic Infrastructure	0.372**		
Value of Asset	Programmed Training	0.216*	.340	.116
	Targeted Skill Acquisition	0.283**		
	Competence Analysis	0.413**		
	Strategic Infrastructure	0.337**		
Innovativeness	Programmed Training	0.313**	.403	.163
	Targeted Skill Acquisition	0.539**		
	Competence Analysis	0.663*		
	Strategic Infrastructure	0.211**		
Agility	Programmed Training	0.363*	.506	.256
	Targeted Skill Acquisition	0.581**		
	Competence Analysis	0.62**		
	Strategic Infrastructure	0.527**		

** correlation is significant @ 0.01 level (2-tailed)

* correlation is significant @ 0.05 level (2-tailed).

Table 2 shows the Pearson correlational coefficient of the studied variables. This is in addition to the multiple regression outcomes which show the relationship and the degree of variability on the explanation of the criterion variable. First, the correlation for all the components of selective competence renewal and the measures of organizational performance are positive and significant at $\rho < 0.01$ and 0.05. The results showed support for the four hypotheses derived from the operationalized dimensions of strategic competence renewal and the three measures of organizational performance which includes value of assets, innovativeness and agility.

The multiple regression of strategic competence renewal on value of assets showed a positive relationship with $R = .340$ and the $R^2 = 0.116$ which means that up to 11.6% of the regressional (criterion variable) is explained by the continued regression (predictor variable) components. For selective competence renewal and innovativeness, he $R = .403$ shows a positive relationship and the $R^2 = .163$ which also showed that combined influence of the dimensions of the predictor variable explains about 16.3% of the variance in the criterion measure. Finally, for selective competence renewal and agility, there also exist a moderate positive relationship with $R = 0.506$. The predictor variable combined; also explain up to 25.6% of the variation in the criterion measure.

Table 3:

Model	Unstandardized coefficient		Standardized coefficient	t	Sig	
	Beta	Std Error	Beta			
1	Constant)	-6.707	3.046		-2.202	0.000
	Programmed Training	0.1445	0.707	.123	0.630	0.018
	Targeted Skill Acquisition	1.282	1.075	.281	1.993	0.033
	Competence Analysis	0.790	0.849	.230	1.131	0.011

Strategic Infrastructure	0.587	0.552	.207	1.061	0.000
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Dependent Variable: Organizational Performance

Table 3 show the coefficient estimates on the influence of the dimension of selective competence renewal on organizational performance. The weight of the β values indicates the magnitude of the influence of each of the dimension. From the results, targeted skill acquisition dimension with $\beta = 0.281$; $t = 1.993$ has the highest weight therefore is considered having more influence on organizational performance. This is followed by competence analysis having $\beta = 0.230$; $t = 1.131$.

DISCUSSION

This study had hypothesized that selective competence renewal dimension or programmed training, targeted skill acquisition, competence analysis and strategic infrastructure do have a statistically significant link with organizational performance measured by value of asset, innovativeness and agility. First, the results from the study supported the hypothesis. Karevos (2000) in his study found that firms undertake a programmed approach to skill enhancement with a view to checking emerging sectoral technologies. Through the programmed training packages they easily respond to areas of customer needs. This study findings corroborates his results as programmed training packages as component of selective competence renewal showed empirical link with agility, innovativeness and value of assets. In conformity with the works of Basil and Emerana (2009); Philips and Philips (2012), the results of this study have placed a theoretical premium on targeted skill acquisition. The authors in their study show that when firms operate within a multi-faceted environment, their acquisition of core skills is important and strategic for competitiveness within such environment. In this study, the sector undertakes much of targeted approach in building employee skills especially in the light of the distinct product features. An empirical link is shown strongly between targeted skills and organizational performance measures. The descriptive and inferential results are indicative. Interestingly, Kassim and Zaim (2004) noted that strategic infrastructures are required to undertake strategic skills and competencies development but did not correlate these strategic infrastructures with performance. This thinking has broadened in this study to close the gap. The results are also clear in showing the positive and significant relationship between strategic infrastructure and organizational performance measures. In line with the conceptual focus of selective competence renewal, the study from its findings reflects on employee skills and competencies as key to success of organizational effort aimed at innovativeness and agility in responding to their environment.

CONCLUSION/POLICY IMPLICATIONS

This study has examined the link between selective competence renewal practices and performance in the telecommunication sector. Recent organizational effort at competing amidst the multifactors and globalized business environment had resulted considering investing their energies in strategic or core competences which are believed to be key both in administrative and operational processes. The study findings however reiterate the thinking as there exists strong empirical links between the examined variables in the study. Selective competence renewal was operationalized as programmed training, targeted skill acquisition, competence analysis and strategic infrastructure and relates with the measures of the criterion which includes innovativeness, agility and value of asset. Simply put, selected competencies are improved or renewed through concentrated effort in order to undertake strategic activities. They are empowered through to be innovative and using agile actions to respond to imposing industry competitiveness. Managers/Operators of organizations expectedly should identify first hand skills that are required to sustain capacity and meet the challenge of emerging

market which the sector belongs, and adjudged characteristically competitive. Continuous competence analysis is also imperative in order to identify areas that are lacking and require reinforcement and through this, skills targeting can also be done.

Suggested for Further Studies

Further search should be initiated in the area of work place factors that encourage capacity in work skills and competencies. This will entail the expansion of the theoretical scope to include other variables that encourage competence reinforcement. The relationship of competence renewal and other performance measure the ones used in this study is also suggested alongside micro level analysis.

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