

WORK FLEXIBILITY AND COMPETITIVE ADVANTAGE OF DEPOSIT MONEY BANKS IN RIVERS STATE

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ABSTRACT

This study examined the relationship between work flexibility and competitive advantage (with cost advantage, offer advantage and niche advantage as measures) of deposit money banks in Rivers State. The theoretical underpinnings for the study are derived from the resource-based theory which served as the theoretical foundations of this research. The study also adopted the use of primary data generated through the administration of structured questionnaire copies to 89 management staff of 23 deposit money banks in Rivers State. The validity test for the research instruments was carried out using the content and face validity while the reliability test was carried out using the Cronbach alpha intra-rating reliability tool with a benchmark of 0.70 adopted in assessing good reliability scores. A total of three hypotheses were tested in this research. Results from the test show that work flexibility significantly contributes toward outcomes of competitive advantage (cost advantage, offer advantage and niche advantage). It was concluded that work flexibility is integral to enhanced outcomes of competitive advantage of deposit money banks in Rivers State. Thus, it was recommended that policies are designed by the management of the deposit money banks to reinforce and emphasize on the development of work flexibility and its related features in the related organizations.

Keywords: Work flexibility, competitive advantage, resource-based theory, human resource management

INTRODUCTION

The survival of any business organization in a highly globalized and competitive business environment depends on its ability to develop the needed core competencies, capabilities and organizational structures.

To gain competitive advantage firms will depend on several sources such as technological innovation which

has important role to play in the economic development of not only firms but also countries. A second element is that of inimitability of human resources which firms develop to have competitive advantage. A third source is the firm's organizational structure. The organizational structure has the capability to shape the operational dynamics and modes that can inevitably place the firm on competitive advantage (Wang et al. 2011).

Competitive advantage is a key element and strategy that separates an organization from its competitors. It exists when an organization acquires, maintains and develops a combination of specific characteristics that allow it to surpass its competitors. (Yuleva-Chuchulayna, 2019). Competitive advantage is the significant thing that differentiates an organization from others and keeps it alive and growing. (Smith and Flanagan, 2006). According to Ghosh, (2000), For any business to be in competitive advantage to other businesses, it must be involved in the production of quality goods and services.

Human resources form the next source of competitive advantage. Firms can create within its work force, strategic human resources capacity that may be difficult to imitate by competitors (Jackson and Schuler, 1995). The best practices in HRM rests on the organization hiring from within and the organization training systems. A third strategy is firm's appraisal system which reflects outcome-based productivity ratings. Fourth, security of employment which is a reflection of the degree which an employee feels while being on the job. Fifth, is the aspect of employee's participation especially in terms of decision making and having opportunity to make suggestions for improvement in service delivery.

According to Ahuja, Chudoba, Kacmar, and Mcknight, (2007) the use of smart working has become prominent in the human resource department of organizations. The innovative capabilities of firms and the use of communication devices which support collaboration and social networking may radically encourage organization to deploy or implement smart working. Armstrong, (2012), opined that the human resource department engages not only in personnel management but also covers other areas like smart working, flexible working, succession planning and replacement planning.

Wanaswa et al. (2021), also conducted a study on Technological innovation and strategic leadership axis on competitive advantage of telecommunication enterprises. Similarly, Anekwe (2019), conducted a study on flexible work arrangement and employee performance of selected Commercial Banks in Anambra State. However, these studies conducted have left some gaps where the present study is poised to fill. These studies have not shown any significant relationship between smart working and organizational competitive advantage in deposit money banks in Rivers State. As a result, the main thrust and point of departure for this study is to examine how work flexibility as a human resource strategy associates with competitive advantage of deposit money banks in Rivers State.

Conceptual Framework

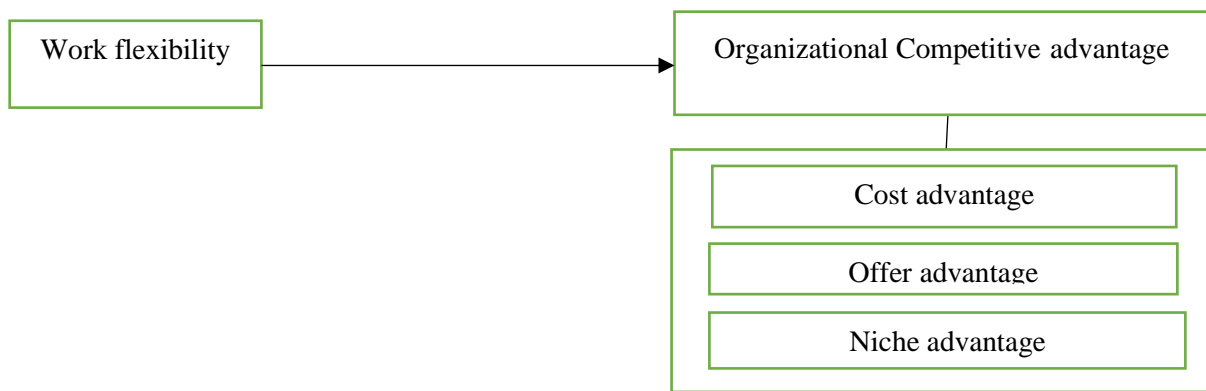


Figure 1: Work flexibility and organizational competitive advantage

Source: Researcher's Desk, (2023). The measures of competitive advantage are adopted from this work: <https://www.firenzelegale.it/en/smart-working> accessed 7-02-23.

The following research questions were posed to guide the study:

1. What is the relationship between work flexibility and cost advantage in deposit money banks in Rivers State?
2. What is the relationship between work flexibility and offer advantage in deposit money banks in Rivers State?
3. What is the relationship between work flexibility and niche advantage in deposit money banks in Rivers State?

LITERATURE REVIEW

Theoretical Foundation

Resource-based theory

The resource-based theory was adopted as the theoretical framework for this research. The theory was originally propounded by Birger Wernerfelt (1984), was later developed and further refined by Jay B. Barney (1991). The resource-based approach or theory which maintained the eclectic range of company integral and patent resources as the maintain stay of competitive advantage gained currency and propulsion in the 1990s, which follows a long period of its dominance as a result of the view that the source of potential revenue gain for companies were determined by the interaction of market forces with basic assumption of stability and steady market in a specific industry (Walter and Silva, 2008).

Conceptual Review

Work Flexibility

Work flexibility is a multidimensional concept. Work flexibility entails the opportunity organizations or firms provide for employees to choose where and when to work (Allen et. al., 2013). There are two types of work flexibility in firms: irregular flexibility this allows employees the nature of an irregular amount of work that may be assigned over a given period (Casper and Harris, 2008) and regular flexibility, this refers to the daily flexibility that allows the employees to choose the work schedules (Bal and De Lange, 2014).

Cost Advantage

According to Porter (1980), the first generic strategy in achieving cost advantage in an industry can be derived from a functional design of strategies targeted at this objective The construction efficient scale facilities, vigorous pursuit of cost reductions from experience, tight cost and overhead control, avoidance of marginal customer accounts, and cost maximization in areas like R&D, service, sales force, and advertising, are the required objectives. (Porter, 1980). Porter explains that the cost leadership shows efforts by organizations to bring about competitive advantage by gaining the least cost in the industry.

Offer advantage

The second generic strategy is known as offer advantage and also referred to as differentiation. According to Porter, (1980), The creation of market position which is seen to be outstanding in the industry widely and also feasible in a long period of time, is linked with the generic of differential strategy. The creation of brand image, circulation etc., are done due to this differentiation (Frambach, Jaideep & Theo, 2003). Walker and Reukerts, (1987), in their view, opine that organizations with differentiation build value for consumers by way of giving uniquely design and greater standard products giving support by good service at premium prices.

Niche advantage

Niche or focus is the final generic strategy in competitive advantage. Niche concentrates on a specific set of consumers, a strategic line of product, and also a terrain or market region. The whole objective of the niche is to target a segment of the consumer population and provide unassailable services or products. This strategy is premise on the organization' capacity to adequately service a narrow and strategic target of an industry that other competitors (Porter, 1980). The niche strategy according to Suner and Bayraktar, (2012) the strategy is divided into three significant parts, first the strategy focuses on low-cost strategy which places a firm in smaller segment of the market.

Work flexibility and competitive advantage

Anekwe (2019), carried out a study on flexible work arrangement and employee performance of selected Commercial Banks in Anambra State. The objective of the study was to examine the nature of relationship between job sharing and employee commitment and also, to find out the nature of relationship between flexi time and employee satisfaction. The study adopted descriptive survey design. The sample of the study was made up of a total of 186 respondents was drawn from the target population of 348 respondents using Taro Yamani formular.

The use of structured questionnaire was adopted for the collection of data. The use of construct and content validity was also adopted to validate the instrument, while Cronbach's alpha (α) statistical method was used to test the reliability of the instrument. Analysis of data was done using descriptive statistics, while the use of Pearson product moment correlation coefficient was adopted to test the hypotheses. The findings of the study reveal that flexible work arrangement reduces work stress, improve mental and physical stability and enhance work efficiency and effectiveness. Thus, the following hypotheses:

Ho₁: There is no significant relationship between work flexibility and cost advantage in deposit money banks in Rivers State.

Ho₂: There is no significant relationship between work flexibility and offer in deposit money banks in Rivers State.

Ho₃: There is no significant relationship between work flexibility and niche in deposit money banks in Rivers State.

METHODOLOGY

This study adopted a cross-sectional survey design for investigating the relationship between smart working and organizational competitive advantage in the deposit money banks in Rivers State, Nigeria. The population of this study comprised of all the registered deposit money banks with operational offices in Rivers State. However, since the banks cannot speak, the study adopted the population elements. These elements comprised the departmental Heads of the Twenty-three (23) registered deposit money banks in Rivers State. From the population of the study which is the twenty- three (23) deposit money banks with operational offices in Port Harcourt, the population size is adopted as the sample size, since the population is small. The structured questionnaire was administered to four departmental heads namely, Human Resource manager, Customer Relations, Marketing Manager and Operations manager, which resulted to 92 respondents as the study elements.

The quantitative method of data collection is adopted by this study. Fundamentally, the Significant data collection methods or tools critical to this research was the use of structured questionnaires which constituted the primary data source of the study. The primary data is gleaned from the use and administration of structured questionnaire instrument design to elicit quantitative data on the variables of the study. The research adopted the use of structured questionnaire instrument to survey the macro level analysis of the Departmental Heads of Deposit Money Banks in Rivers State, who are quite knowledgeable of the activities of the banks. Table 1 presents the Cronbach Alpha coefficients used to test the reliability of the instrument.

Table 1: Reliability result

Variables		Dimensions/Measures	No. of items	Alpha values
Work flexibility			3	0.911
Organizational advantage	competitive	Cost advantage	3	0.792
		Offering advantage	3	0.809
		Niche advantage	3	0.882

Source: Research survey, 2023

The result from the test points to the substantiality of reliability test results on the distribution for the instruments. All related instruments are presented as suitable and duly applicable in the research. This follows the substantiality of the Cronbach alpha values ($\alpha > 0.70$) for all instruments.

DATA ANALYSIS AND RESULTS

Sample Characteristics

Presented in this section is the result for the analysis for the study. This addressed the demographic, univariate and bivariate analysis. The findings are presented in this section of the study.

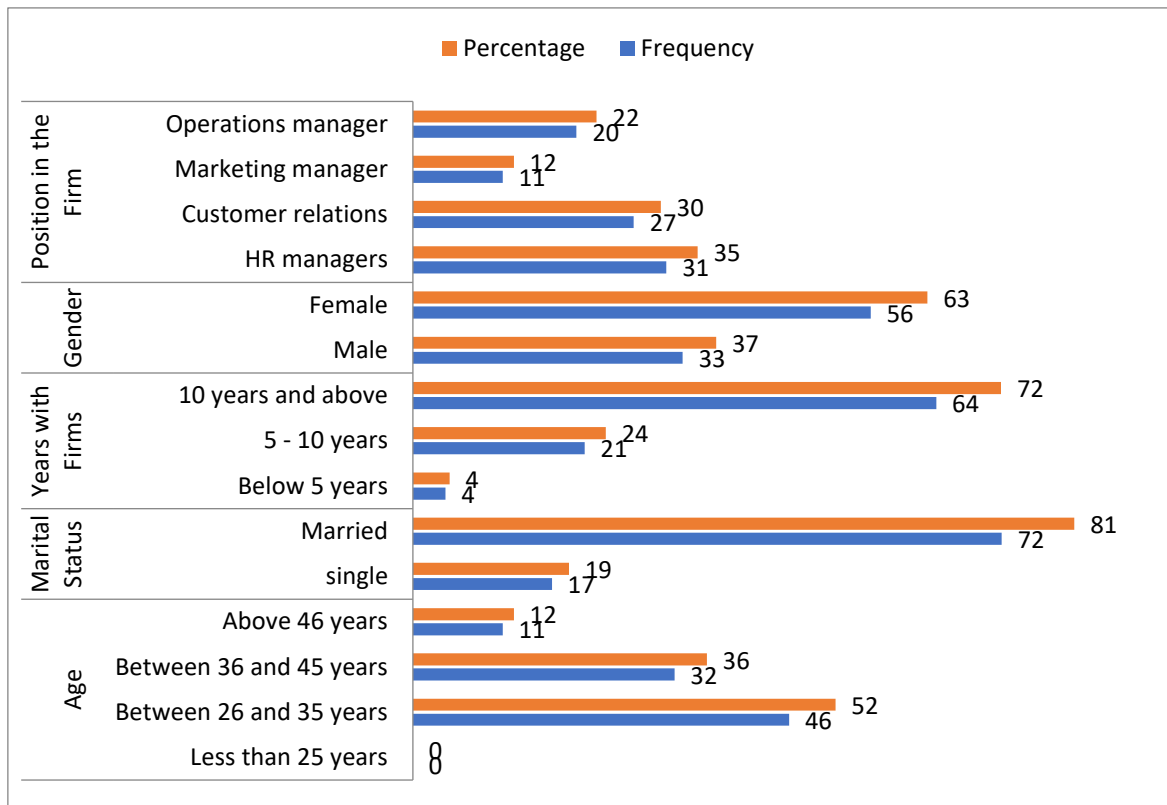


Figure 2: Demographic distribution for the characteristics of the study

Presented on the Figure 2 is the distribution for the sample characteristics for the study, demonstrating the prevalence of the variables within the context of interest. The data presented unveiled that most participants are within the range of age category of 26 - 35 years with a frequency of 46 (52%). The result suggests that most of the managers within the deposit money banks are between the ages of 26 - 35 years old in their respective banks. Evidence also shows that most of the participants are also married with a frequency distribution of 72 (81%).

The category for the years spent in the organization shows that a higher percentage of the workers have worked with their respective organizations for upward of 10 years with a frequency distribution of 64 (72%). This demonstrates the substantiality of workers' experience within the context of the organization. For the distribution for gender, it was observed that most of the management staff are female with a frequency distribution of 56 (63%). The data in this way, shows that most of the management staff of the

deposit money banks in Rivers State are female; a factor which most likely flows from the nature of the industry. Finally, on the distribution for position in the firm, results show that majority of the workers are within the category of HR managers with a frequency of 31 (35%).

Univariate Data Analysis

Table 2: Summary distribution for the study variables

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Cost advantage	89	4.0906	.82409	-2.198	.251	4.911	.498
Offer advantage	89	4.1486	.85501	-2.472	.251	6.531	.498
Niche advantage	89	4.1087	.84603	-1.831	.251	3.942	.498
Work flexibility	89	4.0616	.85439	-2.287	.251	5.344	.498
Valid N (listwise)	89						

Source: Research survey, 2023

The evidence as illustrated in table 2 reveals that all three measures of organizational competitive advantage are evident and well manifested within the framework of the deposit money banks in Rivers State. The results indicate that majority of the respondents affirm to their observation and the manifestations of the identified measures of competitive advantage and consider their organizations as effectively attaining its goals, driving for competitiveness and also well aligned with their environment.

Bivariate Data Analysis**Table 3: Correlation Coefficients for the study variables**

			Flexibility	Cost	Offer	Niche
Spearman's rho	Flexibility	Correlation Coefficient	1.000	.671**	.569**	.772**
		Sig. (2-tailed)	.	.000	.000	.000
		N	89	89	89	89
	Cost	Correlation Coefficient	.671**	1.000	.477**	.607**
		Sig. (2-tailed)	.000	.	.000	.000
		N	89	89	89	89
	Offer	Correlation Coefficient	.569**	.477**	1.000	.488**
		Sig. (2-tailed)	.000	.000	.	.000
		N	89	89	89	89
	Niche	Correlation Coefficient	.772**	.607**	.488**	1.000
		Sig. (2-tailed)	.000	.000	.000	.
		N	89	89	89	89

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

Source: Research survey, 2023

HO₁: There is no significant relationship between work flexibility and cost advantage of deposit money banks in Rivers State.

The result for this hypothetical statement indicates that there is a significant relationship between the variables. The evidence shows that at a rho = 0.671 and a P < 0.05. Work flexibility significantly correlates with the cost advantage of deposit money banks in Rivers State. Consequently, the null hypothesis of no significant relationship is therefore rejected.

HO₂: There is no significant relationship between work flexibility and offer advantage of deposit money banks in Rivers State.

The result for this hypothetical statement indicates that there is a significant relationship between the variables. The evidence shows that at a rho = 0.569 and a P < 0.05. Work flexibility significantly correlates with the offer advantage of deposit money banks in Rivers State. Consequently, the null hypothesis of no significant relationship is therefore rejected.

HO₃: There is no significant relationship between work flexibility and niche advantage of deposit money banks in Rivers State.

The result for this hypothetical statement indicates that there is a significant relationship between the variables. The evidence shows that at a $\rho = 0.772$ and a $P < 0.05$. Work flexibility significantly correlates with the niche advantage of deposit money banks in Rivers State. Consequently, the null hypothesis of no significant relationship is therefore rejected.

DISCUSSION OF THE FINDINGS

The findings show that flexible work impacts significantly on cost advantage ($\rho = 0.671$) offering advantage ($\rho = 0.569$) and niche advantage ($\rho = 0.772$). Critically, flexible work and its associated work practices are majorly and extensively becoming most significant method of improving the effectiveness and efficiency of operational activities in the organization. The result from this research thus corroborates the evidence and observations of previous empirical studies (Hassan, 2016; Fana et al, 2020), suggesting an alignment between studies and the reinforcement of existing research with the evidence generated by this study.

Armstrong (2014) envisioned flexible working as significant work activity where the hour of work can be said to be different from the usual and measured standard work hours in an organization. The latent objective of flexible work practice is aimed at improving flexibility of operation, employee's skills development and enhancement, reduction of employment cost and improvement of the productivity of the employees in the organization. Furthermore, Richman et.al (2008) stress that an organization that provides its workers with flexible work arrangement, helps to improve the trust level the employees will have on the organization. It also enhances the level of transparency and ensures an increased working options for workers. Consequently, workers have the tendency to be able to have control over their daily work schedules.

Bhatt et al (2006) opine that there is massive increase in the demand for flexible and part-time work patterns in several organizations. As a result, many organizations are beginning to come to the realization that it is imperative to put into practice flexible work practices that are amenable which enables employees or workers to strike balance between work schedule and life programs. The idea of flexible work practice entails the introduction and readjustment of traditional work practices to conform to modern systems. The main objective of this work practice is to establish effective operational flexibility, outsourcing and subcontracting and multi-skilling. To achieve Operational flexibility there is need for the introduction of work arrangement which include but not limited to job sharing, home working and flexible work hours.

Watson (2006) opine that the application of work flexibility approaches and practices have strategically become an essential part and standard practice for the processes and management of multinational and international businesses. This tool constitutes an integral part of business strategy that enhances effective delivery and attainment of sustainable competitive advantage. In view of this several organizations are encouraging the use of flexible work practices. However, it can be said that these significant changes happening in the workplace bring about both opportunities and challenges that organizations should accept. The dynamism of work the place therefore demands that business organizations should become more agile with the introduction of work flexibility practices. With this in view, several business organizations are adopting and extending flexible work practices and these benefits are glaring.

Bowden (2009), posit that flexible work practices are essentially effectively instruments that enable employees meet the diverse challenges and demands as requirement of both personal and work-related issues. The main idea around flexible work practices are to allow and enjoin employees to make input to improving the performance and productivity which in general elevate the achievement of the organization without necessarily having to strictly adhere to traditional work practices.

Furthermore, the use of flexible work arrangement empowers the organization to entice employees that highly and eligibly qualified as well as retaining these employees in their organization. Opportunities are

created with flexible work practices which encourage a more decentralized and diversified workforce coming together to achieve the goals and aspirations of the organization. Gensler (2006) position states that the modern-day workforce is not necessarily a single but includes of multi-generation of employees. Consequently, flexible work practices incorporate diverse groups of individuals of different age brackets or groups to harmoniously work together to attain a desired result. In the transport sector the use of flexible work practices was considered to be one of the significant strategies deployed in order to alter the various changes taking place in the workplace.

Mullins (2010) argues that over time work practices have changed considerably, and this has turned the heat on organizations to significantly adopt or become more adaptive to deploying of work flexible approaches in the workplace and with their workforce. He further emphasized that organizations must be adaptive to change by the used of customized workplaces which can enhance employee's adaptability. Bernardin (2006) argues that in order to improve productivity of employees in the work place many organizations have been experimenting with different and diverse work practices. Workers and organizations are considering these work practices to enable them to address issues of work-related and family matters. Price (2012) argues that flexible work practices enhance productive strategy of the worker and its attendant overall performance in the organization. Consequently, the organizations have designed important programs to assist employees achieve a balance between their work and family lives by enabling them to adopt flexible work plans.

CONCLUSION AND RECOMMENDATION

The findings of this investigation affirm the role of work flexibility in the manifestation of organizational competitive advantage of deposit money banks in Rivers State. The facts generated provide empirical evidence which links significant outcomes in the competitiveness of organizations to the evidence of role and work flexibility, thus it is affirmed that work flexibility contributes toward creating responsive and

adaptive work systems and thus impacts positively toward manifestations of cost advantage, offer advantage and niche advantage in deposit money banks in Rivers State.

As such, it is recommended that the heads of departments, managers and leadership of the deposit money banks should develop organizational policies which are structured to promote and encourage the design of work that is flexible, engaging and more empowering as it allows workers effectively balance their work and life in a healthy and more harmonious way.

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