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MANAGERIAL CAPABILITIES AND COMPETITIVE ADVANTAGE OF DEPOSIT MONEY BANKS IN MAKURDI METROPOLIS, BENUE STATE

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ABSTRACT

This study assessed how managerial capabilities influence the competitive advantage of deposit money banks operating in Makurdi Metropolis, Benue State, Nigeria. The study focused on five dimensions of managerial capabilities, namely sensing, innovation, networking, seizing, and reconfiguration capabilities, while competitive advantage was assessed through market share and business expansion. A descriptive survey design was employed. The study population consisted of 328 management and non-management employees of four selected deposit money banks in Makurdi Metropolis: Zenith Bank, Guaranty Trust Bank, First Bank of Nigeria, and United Bank for Africa. Because the population was considered manageable, all members of the population were included through a census sampling approach. Data were obtained from respondents using a structured questionnaire based on a five-point Likert scale. Face, content, and construct validity procedures were applied to establish the adequacy of the research instrument. The KMO measure recorded a value of 0.802, while Bartlett's Test of Sphericity was statistically significant ($\chi^2 = 377.231$; $p < 0.05$), indicating that the data were appropriate for factor analysis. The reliability assessment produced an overall Cronbach's Alpha coefficient of 0.774, demonstrating acceptable internal consistency. Multiple regression analysis was conducted using SPSS Version 23. The results indicated that the five dimensions of managerial capabilities were positively and significantly related to competitive advantage. Sensing capabilities recorded $\beta = 0.220$ ($p = 0.003$), innovation capabilities $\beta = 0.115$ ($p = 0.002$), networking capabilities $\beta = 0.125$ ($p = 0.004$), seizing capabilities $\beta = 0.207$ ($p = 0.001$), and reconfiguration capabilities $\beta = 0.207$ ($p = 0.001$). These findings indicate that strengthening managerial capabilities is associated with improved market positioning and business expansion among the selected banks. The study concludes that managerial capabilities represent important organizational resources for enhancing competitive advantage in the banking sector. It therefore recommends that deposit money banks improve their market intelligence activities, encourage continuous innovation, develop productive business networks, strengthen opportunity-seizing practices, and regularly adjust their internal resources to cope effectively with changes in the business environment.

Keywords: *Managerial capabilities, competitive advantage, dynamic capabilities, sensing capability, innovation capability, networking capability, seizing capability, reconfiguration capability, deposit money banks, Nigerian banking sector.*

Background to the Study

The question of how firms achieve and sustain competitive advantage has become a central focus in strategic management theory and research particularly since the 1990s and early 2000s. A stream of research suggests that when firms control rare organizational resources, such resources are heterogeneous, non-substitutable, and relatively immobile firms can achieve and sustain competitive advantage. Managerial capabilities are emerging as significant to the strategic management of individual organizational performance; private and public alike, globally competitive and across both developed and developing economies. In a dynamic business environment, firms need to quickly adapt and respond to environmental changes. The adaptive responses from an organization could thus be ignoring the situation, using ad hoc solution finding approach, trial and error behavior or unique organizational competencies to adjust with changes present in the environment (Teece 2018).

Since managers across firms have different levels of capabilities, knowledge, data and information that drives the decisions they make (Bokhari & Myeong, 2022). As managers are in charge of building plans for capability formation and implementation, more scholarly efforts have concentrated on managerial intelligence and the organizational processes through which managers perform (Eggers & Kaplan, 2013). Managers, as well as diverse capabilities, engage in recognizing and taking advantage of emerging opportunities, innovating new business models and also adapt complementary resources and alternative organizational assets to changing environmental conditions (Augier &; Teece, 2009).

Building employee capabilities is part and parcel of an organization's corporate strategy. This is done, in particular, through managerial capabilities—routine processes that evolve over long periods via complicated innovative patterns of interaction among the resources a firm possesses. In turn, there is a growing scholarly interest in the managerial capabilities through which organizations obtain, manage, configure, orchestrate and transform their resources rather than on organizational resource being direct sources of competitive advantage (Huy & Zott 2019; Ying et al. 2019). Managerial capabilities are a relatively new focus of empirical study, with initial investigations appearing in the 1990s and steadily increasing since then [4].

Managerial capabilities are the extent to which managers can run organizations—the power of them, as coordinators and influencers of other organizational resources, inputs, and capabilities—to make and implement strategic and operational choices. They are the defined organizational processes through which resources are assimilated and utilized productively to achieve business objectives. As stated by Ambrosini and Altintas (2019), managerial capabilities comprise a specific type of dynamic capability focused on the manner in which managers renew and reconfigure an organisations resource base, so as to sustain or develop its competitive advantage and performance.

Competitive advantage (CPA) is the ability of a firm to utilize unique resources and capabilities to make economic profit that exceeds its rivals in an industry. Competitive advantage as defined by Ngah and Ibrahim, 2010, refers to the comparison between what was expected versus what has been achieved; identification of variance from plans; determination of areas of competitive strength; Monitoring progress towards organization objectives. Haseeb et al. However, as previously illustrated by Nordås et al. (2019), there are numerous sources that contribute to a company achieving competitive advantage such as its cost structure, branding power, product quality and design capabilities, distribution networks and systems integrated in the firm or with other firms to leverage one another's strengths, intellectual property rights including patents and trademarks associated with their products/services offered in markets sectors across regions of the world-global customer service initiatives among many others. Competitive advantage basically means how much better performance per unit value a firm can produce than its competitors, but also how many actual customers it will have and how well founded is its position in the market (Akabike, 2021).

On the global level, Putri and Yasa (2020) studied managerial capabilities, market orientation, and business performance among coffee-processing SMEs in Pupuan and indicated that managerial capabilities as well as market orientation had positive significant effects on business performance where market orientation also partially mediates. In the case of Mexico, Salvador and Cantú (2020) argued that within small family firms, individual capabilities are not only determinants in the ability to adapt but also create sustainable competitive advantage among family and non-family members. In China, Khan et al. An indirect effect of managerial capabilities in relation to the performance of selected enterprises was identified, as reported by (2019). In Africa, Rwehikiza et al. Managerial capabilities that drive sustained firm performance are developed as by Bai et al. Likewise, Some and Anyieni (2024) discovered that organizational performance, profitability, and resilience is enhanced by strong networking combined with effective opportunity sensing and seizing accompanied by appropriate innovation capabilities. Reports of a robust and positively significant correlation exist in favour of managerial capabilities in relation to performance amongst commercial banks operating in North-central Nigeria (Nnabuife & Yande, 2023), whereas Razak (2024) noted that managerial capabilities enhance the performance of SMEs in the Agricultural sector Delta State, Nigeria.

When it comes to measuring competitive advantage regarding managerial capabilities, there is no one size fits all method. It is possible to achieve a competitive advantage by way of making superior products, offering better customer service, being able to produce at a cost lower than their competitors or simply having an advantageous geographical location. It could also be due to designing products that do better than competitive brands. Thus, a position of sustainable competitive advantage may arise when an organisation consumes fewer resources and provides more value to their customers (Tukker & Tischner, 2017). Consequently, propositions on the usage of managerial capabilities regarding product innovation, environmental dynamism and firm competitive advantage continue to draw academic interest as firms strive to meet their goals (Ocharo, 2018).

In this paper, sense, innovate and network capabilities are the managerial capabilities explored. Sensing capability is the ability to detect any changes that have taken place in the external environment and judge whether present capabilities are adequate to both respond or require development of new capabilities. Jansen et al. (2015): These efforts should not rely solely on the analysis of customer feedback and survey data; instead, systematic observation and assessment of actual use in context must underlie our understanding of how firms' sense. Innovation capability includes a firm's ability to identify new ideas and convert them into products, services or processes that benefit the firm (practically tangible items). Innovation capabilities are defined by Saunila and Ukko (2012) as a company's ability to innovate and Lerro, Linzalone and Schiuma (2009) define them as the firm's ability for continuous transformation of knowledge / idea into new product, process, system that provide benefits to the company itself and its stakeholders. Innovation capabilities have also been defined as first order and second-order (higher order) dynamic capabilities, through which firms can construct and regulate a number of other key capabilities (Lawson & Samson, 2001). On the other hand, networking capability is the ability of a firm to engage business partners and effectively manage inter-organisational relationships in dynamic market environments.

This study adopts market share and operational efficiency as competitive advantage variables. According to Armstrong and Greene (2007), a firms market share is defined as that portion of total industry sales of a particular product achieved in that period. It is often employed by businesses to evaluate their competitive position in relation to all the other firms operating within the same sector. According to Bhagavath (2009), the need for operational efficiency has been growing due to tougher competition and in response, organizations are transforming their conventional businesses driven by technology. Some recent theorists see cost reduction as a central proxy of competitive advantage, but we contend that cost efficiency should not be purchased at the expense of product/service quality; rather, both should be examined simultaneously in studying competitive performance.

In China, Sebhatu (2021) theorized that managerial capabilities are leveraged to create robust and sustainable firm performance impervious to market shocks: implications for theory policy and practice. Foege et al. Result–Jana et al. (2021) concluded that managerial capabilities improved firms innovation-performance over the longer term in the USA. According to Dzinekou and Arasa (2018), Kenyan SMEs achieve better performance and competitive advantage through effective managerial capabilities. Similarly, Ali et al. (2017); in their research, also found that managerial capabilities play a role in the relationship between technological innovation and organizational innovation performance of SME firms in Nigeria. Together, these studies underscore the importance of managerial capabilities for enhancing organizational performance and competitive advantage across various industries and geographic contexts.

A functional banking system ensures the circulation of goods and services, offers checking and savings accounts, loans and mortgages, wealth management, credit card and debit card issuance, overdraft facilities, etc. It further incentivizes savings while allowing capital to move quickly into productive investments. Thus, the sector assumes a vital part in shaping the soundness, monetary development and improvement of a nation, which likewise requires investigation regarding where supervisory aptitudes are included. FDIC-insured commercial banks alone employed almost 2,000,000 people in the United States as of 2020. From 2017 to 2020, the banking industry was responsible for about ₦168.4 trillion of Nigeria's Gross Domestic Product (GDP) despite two economic recessions that showed a reasonable resilience and some degree of growth in the face of two worst economic bouts. In 2017, the sector accounted for almost ₦34.6 trillion GDP and deposit money bank assets to GDP were at 16.40% as reported by World Bank Collection of Development Indicators (2021) in Nigeria. In this light, this research studies the influence of managerial capabilities on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

Statement of the Problem

Despite the numerous benefits associated with managerial capabilities, including improved decision-making, career growth, reduced stress, and increased credibility, there is a shortage of capable managers in the banking industry, particularly in deposit money banks in Makurdi Metropolis, Benue State, Nigeria. The question arises whether deposit money banks can incorporate managerial capabilities to equip managers with the appropriate skills, competencies, and knowledge to guide, coordinate, and oversee banking operations successfully. As a result, the capabilities are expected to improve organizational efficiency, promote innovation, assist in achieving strategic objectives, and enable the banks to adapt to dynamic business environments to gain a competitive advantage.

However, despite adopting managerial capabilities, such as sensing, innovation, networking, seizing, and reconfiguration capabilities by deposit money banks in the banking industry, the extent to which the capabilities contribute to competitive advantage appears to be different. While some deposit money banks may be benefiting from the capabilities, others still face challenges with competitive advantage, including market share, operational efficiency, and customer satisfaction. Therefore, the extent to which managerial capabilities significantly affect the competitive advantage of deposit money banks in Makurdi Metropolis, Benue State, requires empirical investigation. As a result, the study will examine the effect of managerial capabilities on the competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

Extant empirical literature reveals that managerial capabilities have been extensively examined in relation to organizational performance, particularly within public sector organisations and telecommunications firms, both internationally and in the Nigerian context. These studies have consistently established that managerial capabilities influence efficiency, productivity and service delivery. (Nnabuife and Yande, 2023; Onwuegbule, O.F, & Onuoha, B.C. (2022)).

However, despite this growing body of research, a critical gap remains. To the best of the researcher's knowledge, no empirical study has specifically investigated the relationship between managerial capabilities and competitive advantage among deposit money banks in Makurdi Metropolis, Benue State, Nigeria. Furthermore, prior studies have not employed the same analytical and methodological approaches proposed in this study.

This gap limits understanding of how managerial capabilities can be leveraged to achieve sustainable competitive advantage in the Nigerian banking sector, particularly in Makurdi Metropolis where competition among deposit money banks is intensifying. Consequently, there is a need for empirical investigation to address this lacuna and provide context-specific insights for bank managers and policymakers.

In addition, despite the proliferation of theoretical and empirical studies, debate persists on the extent to which managerial capabilities influence competitive advantage. The majority of those studies have been performed in the developed and wealthier nations, which means that emerging and developing countries have not been represented. This study hopes to achieve this by examining cut across the geographical research gap and contributes to understanding the factors of competitive advantage focusing on managerial capabilities from developing economy perspective which is filled with bearing on deposit money banks in Makurdi Metropolis Benue State. In light of the gaps, the study therefore sought to investigate and comprehend in what manner managerial capabilities impact competitive advantage of deposit money banks. This research fills the void of empirical evidence on the effect of managerial capabilities on competitive advantage of deposit money banks in Nigeria by exploring the relationship.

Against this backdrop, the study sought to examine the effect of managerial capabilities on competitive advantage among deposit money banks in Makurdi Metropolis, Benue State, Nigeria. It is anticipated that the results of this study will strengthen the existing body of knowledge with quantitative evidence on the correlations between variables and serve as a source of information and reference for future researchers, academics, banking practitioners and other parties interested in management capabilities vs competitive advantages.

Objectives of the Study

The general objective of this study will be to examine the effect of managerial capabilities on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

The specific objectives were to:

i. Investigate the effect of sensing capabilities on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.
ii. Ascertain the effect of innovation capabilities on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.
iii. Evaluate the effect of networking capabilities on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.
iv. Evaluate the effect of seizing capabilities on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.
v. Assess the effect of reconfiguration capabilities on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

Research Questions

This study is guided by the following research questions:

1. What is the effect of sensing capabilities on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State?
2. What is the effect of innovation capabilities on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State?

3. What is the effect of networking capabilities on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State?
4. What is the effect of seizing capabilities on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State?
5. What is the effect of reconfiguration capabilities on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State?

Hypotheses

The following null hypotheses were formulated and tested at level of significance:

H_{O1}: Sensing capabilities have no significant effect on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

H_{O2}: Innovation capabilities have no significant effect on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

H_{O3}: Networking capabilities have no significant effect on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

H_{O4}: Seizing capabilities have no significant effect on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

H_{O5}: Reconfiguration capabilities have no significant effect on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

Literature Review

The research is based on DCT concepts, which are supported by RBV and CCT of the Firm. Theories that are relevant to the study are those which servant manager capabilities would be assumed as an independent variable (IV) where competitive advantage is to be treated as a dependent variable (DV). The Dynamic Capabilities Theory demonstrates that, especially in dynamic and changing business environments, the firm-specific skills and capabilities are a pillar of competitive advantage.

Teece et al. Dynamic capabilities enable firms to integrate, build, and reconfigure internal and external competencies in response to rapidly changing environments (Teece et al.2927). In a similar vein, Ofoegbu and Onuoha (2018) portray dynamic capabilities as the ability that utilizes organizational competencies to unify, extend and recombine internal and external existing competences or any resources to adapt to rapid environmental changes as stated by Wheeler (2002), dynamic capabilities refer to creating, extending, developing and modifying an organizations resource base with intention in order to build new forms of competitive advantage. Eisenhardt and Martin (2000) argue that these capabilities allow firms to renew their resources and competencies and attain a competitive advantage in fast-paced climates. Sufficiently, the theory lays an appropriate foundation for exploring how managerial capabilities empower depository money banks to cope with changes in their environment, both in terms of maximizing on existing resource input and enhancing competitive advantage.

The relevance of DCT is particularly evident in contemporary business environments characterized by turbulence, uncertainty, technological change, and intense competition. Organizations must continuously adapt their resources, knowledge, routines, and competencies to changing customer preferences, technology, regulation, and economic conditions. Teece (2012) maintains that dynamic capabilities enable firms to remain adaptable, innovative, and responsive to market and technological changes. This perspective is relevant to deposit money banks in Nigeria because the banking industry operates in a highly competitive and changing environment. Banks must continuously develop managerial, technological, informational, and organizational capabilities to respond to competitors, customers, regulatory requirements, and technological developments. Thus, DCT provides a useful explanation of how managerial capabilities can be developed and reconfigured to enhance competitive advantage.

Despite its relevance, DCT has been criticized for conceptual ambiguity and insufficient clarity concerning some of its fundamental constructs. Critics argue that it does not always adequately explain when and why firms change or remain unchanged in response to environmental pressures. The theory has also been criticized for insufficiently specifying the contextual conditions linking organizational change to performance, as well as challenges concerning the definition, measurement, and operationalization of dynamic capabilities. Nevertheless, its emphasis on organizational adaptation, capability renewal, and competitive advantage makes it appropriate for the present study.

In addition, not even all the theoretical and empirical research could stop the ongoing debates on managerial capabilities contribution to competitive advantage. These studies have typically been conducted in wealthier and developed countries where emerging and developing economies have been left under researched. This study aims at filling up the geographical research gap and contributes towards the body of knowledge on the subject of how managerial capabilities influence competitive advantage from a developing economy perspective specifically, deposit money banks in Makurdi Metropolis, Benue State. This piece of literature, therefore, attempts to bridge the already known knowledge gaps by investigating how managerial capacities influence competitive advantage of deposit money banks. This study fills this empirical gap on the impact of managerial capabilities on competitive advantage of deposit money banks in Nigeria by exploring the relationship.

The advance of the study focused on analyse the effect of managerial qualities on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State, where this also served as our scope since it helps provides a bridge between literature and what is unique to an environment setting up date training data October 2023. This study will shed additional light on the relationship between the variables by using empirically based evidence and be able to serve as a springboard for more information and leads for future reference such as a means for researchers, academics/ university students, neophyte banking practitioners and/or other parties interested with management capabilities and competitive advantage.

The combination of tangible and intangible resources, capabilities, knowledge, and organizational routines can create competencies that distinguish a firm from its competitors (Wash and Linton, 2010). Teece (2017) further associates competences with organizational capabilities, employee skills, and processes that contribute to performance and are difficult to imitate. Although organizations may possess several capabilities and competencies, only some become core competencies that provide a distinctive basis for value creation and competitive advantage (Prahalad and Hamel, 1990, as cited in Adudu *et al.*, 2020). Freiling (2004), however, notes that the competence-based perspective has not been comprehensively examined in explaining all dimensions of corporate success.

Conceptual Framework

The conceptual framework presents the major concepts examined in this study

Managerial Capabilities

Managerial capabilities are based on the unique skills, knowledge, experience and competencies of managers and organisational members. According to Parnell et al., (2015), managerial talents are developed from specialised knowledge gained through experience, training and learning. The managers are responsible for communicating and implementing strategies, maintaining stakeholder relationships, allocating resources and supporting innovation. Therefore, superior managerial capabilities have been recognised as important sources of organisational advantage (Hunt and Madhavaram, 2012; Dangol and Kos, 2014). Managerial qualities are important for organisational strategy and performance (Helfat and Martin, 2015) and managers have a major role in establishing competitive advantage (Anzengruber et al., 2017). Consequently, managerial competencies are defined as the ability of managers to coordinate people and resources, to identify opportunities and risks, to make successful decisions, and to adjust organisational operations to changes in the environment. Such capabilities are articulated in organisational routines and processes that enable enterprises to build, extend, protect and update their resource base (Fainshmidt et al., 2016). Managerial competencies are of special importance for deposit money institutions since managers have to deal with technological upheaval, changing client needs, regulatory changes and competitive challenges. Hence, effective managerial qualities can improve organisational adaptability, utilisation of resources, innovation and competitive advantage.

Competitive Advantage

Competitive advantage refers to an organization's ability to create and deliver value in ways that distinguish it from competitors and are difficult to imitate. It may arise from unique resources, capabilities, strategies, technologies, services, or organizational processes that enable a firm to perform effectively in its market. Competitive advantage involves more than superior performance because it also requires the creation of value for customers. Akabike (2021) emphasizes that competitive advantage should provide genuine customer value while supporting a firm's market position. In dynamic environments, competitive advantage cannot depend entirely on static resources because customer preferences, technologies, competitors, and regulations continuously change. Firms must therefore adapt and innovate to maintain their competitive positions. For deposit money banks, competitive advantage may be reflected in the ability to attract and retain customers, increase market share, provide efficient services, reduce operating costs, adopt innovative technologies, and improve customer experiences. Managerial capabilities are relevant because managers determine how organizational resources are identified, acquired, coordinated, and deployed. Effective sensing, innovation, networking, seizing, and reconfiguration can therefore contribute to the ability of banks to respond to competitive pressures and create value. Competitive advantage is consequently treated in this study as the dependent variable influenced by managerial capabilities.

Customer Satisfaction

Customer satisfaction refers to the extent to which a customer's expectations are met or exceeded by the performance of a product or service. Kotler and Armstrong (2008) define satisfaction in terms of the relationship between perceived performance and customer expectations.

Smaby (2021) similarly regards customer satisfaction as an assessment of how well products and services meet customer expectations. Satisfaction is important to organizations because it provides information about customers' experiences and areas requiring improvement. Kahan (2021) notes that customer feedback, surveys, and ratings can help organizations understand customer relationships and improve their products and services. High customer satisfaction is also associated with customer retention, which supports organizational sustainability. In the banking industry, satisfaction may depend on service quality, transaction speed, accessibility, reliability, digital banking facilities, employee responsiveness, and the ability of banks to meet changing customer needs. Managerial capabilities can influence satisfaction by enabling managers to sense customer expectations, innovate services, establish effective networks, seize emerging opportunities, and reconfigure service processes. Customer satisfaction is therefore an important indicator of competitive advantage because it reflects the value customers perceive from the services provided by deposit money banks.

Methodology

Study Design

The study adopted survey research design method. The survey design was descriptive in nature because it allows samples to be selected and a complete representation of the population ensured.

Study Area and Population

Study location the study was conducted in Makurdi Metropolis, the capital of Benue State and Headquarters of 80 Makurdi Local Government Area, North-Central Nigeria. Makurdi is situated in the centre of Benue Valley (approximately between latitudes 7°38'N and 7°50'N, longitudes 8°24'E and 8°38'E), traversed by the River Benue. It is an administrative and commercial centre with a population of 365,000 (NPC, 2016). The high concentration of financial institutions in the region also makes it ideal for exploring managerial competences and competitive advantage among deposit money banks. The study population consists of 328 management staff (Branch Managers, Zonal Heads and Assistant Branch Managers) of Zenith Bank, Guaranty Trust Bank, First Bank and United Bank for Africa in Makurdi Metropolis. We included management staff as they participate in strategic decision-making, resource allocation, coordination and implementation of organizational strategies. Table 1 presents the distribution of population among the selected banks.

Table 1: Staff Population of the Selected Banks for the Study

S/N	Bank	Population
1	Zenith bank	75
2	Guarantee Trust Bank	74
3	First Bank	91
4	United Bank	88
	Total	**328**

Source: Human Resource Department of the selected banks, (2023).

Sample Size and Sampling Technique

The sample size was the population of 328 management and non-management workers of the selected banks. Census sampling techniques was employed to maintain the population. This is because the population is small and controllable holistically and hence do not need to be represented. Purposive sampling technique was also utilised to distribute the sample size across Zenith bank, Guarantee Trust Bank, First Bank and United Bank.

Instrument, Validity and Reliability of Data Collection

Data were collected using the questionnaire, which is divided into two sections. Section A gathered respondents' socio-demographic data. On the other hand, section B measured managerial capabilities and competitive advantage of the deposit money banks in Makurdi Metropolis. The instrument was tested for face and construct validity. The draft questionnaire was evaluated by the supervisor, senior academics members of Joseph Sarwuan Tarka University, and relevant practitioners in the area with whose recommendations the final version was adopted. Item Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) and Bartlett's Test of Sphericity were performed to ascertain the construct validity of the study. The result of KMO was 0.802, which implies that the sampling was adequate. On the other hand, the Test of Sphericity was significant at $\chi^2 = 377.231$, $p = 0.000$ thus, the instrument was fit for factor analysis.

The instrument was tested for reliability using Cronbach's Alpha test procedure on a pilot study of 98 respondents representing 30% of the sampled population. The result showed that the questionnaire had a 'good' reliability index based on the five-point Likert scale. The reliability coefficients were 0.734, 0.890, 0.802, 0.710, 0.799, and 0.708 for sensing capabilities, innovation capabilities, networking capabilities, seizing capabilities, reconfiguration capabilities, and competitive advantage respectively. An overall average reliability index of 0.774 was greater than the recommended 0.6 by Godard et al., (2001). Thus, the instrument was reliable and suitable for the study.

Data collection

The data were attained through a structured questionnaire The researcher gave the respondents the questionnaire as a face-to-face basis and asked them to complete it and hand in the instrument back to whom administered it that same day. The questionnaire used for this purpose was designed to facilitate the collection of reliable data that would help guide the researcher towards drawing relevant conclusions regarding the study. The questionnaire constructed on 5 – point Likert scale in which Strongly AGREE(SA), Agree(A), Disagree(D)and Strongly Disagree (SD). The instrument drawn from the selected respondents was duly filled by them and submitted back to the researcher for data presentation and analysis.

Variable and Model Specification

The independent variable is Managerial Capabilities (MGC)**,** proxied by sensing capabilities (SEC), innovation capabilities (INC), networking capabilities (NWC), seizing capabilities (SGC), and reconfiguration capabilities (REC). The dependent variable is Competitive Advantage (CPA)**,** measured by market share and business expansion. The functional relationship is specified as:

CPA = f(MGC)

The econometric model is expressed as:

$$CPA = \alpha + \beta_1 SEC + \beta_2 INC + \beta_3 NWC + \beta_4 SGC + \beta_5 REC + e$$

Where CPA represents competitive advantage, α is the constant, β_1–β_5 are the coefficients of the independent variables, SEC represents sensing capabilities, INC represents innovation capabilities, NWC represents networking capabilities, SGC represents seizing capabilities, REC represents reconfiguration capabilities, and *e* is the error term. The a priori expectation is that all managerial capability dimensions will have positive relationships with competitive advantage. Thus, $\beta_1 > 0$, $\beta_2 > 0$, $\beta_3 > 0$, $\beta_4 > 0$, and $\beta_5 > 0$**.** The model is designed to examine the effects of the five dimensions of managerial capabilities on competitive advantage and provide the basis for testing the study's hypotheses.

Data Analysis Techniques

The hypotheses put forth for the study will be examined using Statistical Package for the Social Sciences (SPSS), Version 23 through a multiple regression analysis. Multiple regression will be employed to investigate the relationship between the main dependent variable, competitive advantage and the explanatory factors, which represent the areas of managerial competence. The study will highlight the extent of the predictive significance of each of the dimensions of managerial skill for competitive advantage.

The hypotheses will be tested at the 5% (0.05) level of significance relying on the p-value. If the p-value is greater than 0.05, then the null hypothesis will not be rejected, which implies that the estimated coefficient is not statistically significant. However, if the p-value is lower than 0.05, the null hypothesis will be rejected. This means that the calculated coefficient is statistically significant.

Results and Discussion

Data Presentation and Analysis

The response rate, demographic characteristics of respondents and inferential statistics are presented in this section.

Response Rate

328 questionnaires distributed, 320 were successfully completed and returned, while 8 were not returned**,** mainly due to respondents' busy work schedules. Thus, 320 valid questionnaires**,** representing a 97.6% response rate, were used for data analysis.

Table 1: Questionnaire Administration

Questionnaire	Frequency	Percentage (%)
Administered	328	100
Returned	320	98.0
Not Returned	8	2.0

Source: Field Survey, 2025

Table 2 presents data on demographic characteristics of respondents; the result shows on gender that 164 representing 51.25% were male respondents while only 156 represented by 48.75% were female respondents. This implies that males are considered more in relation to banking industry as compared to their female counterpart probably because of how tedious the work in performing. On age distribution, 28.13% respondents were within the age range of 21-30 years, 36.88 % respondents were within the range of 31-40 years, 24.38% were within the age range of 41-50 years and 10.63% respondents were within the age range of 51 years and above. This result shows that there are more matured and responsible people working in the sector and know the integrity of deposit money banks and provide valid answers to the questions asked in the questionnaire.

Relating to educational background shows that 35.31% of the respondents had ND/NCE as their highest educational qualification, majority representing 45.63% had HND/First degree and only 19.06% had higher degree qualification. This result shows that most of the respondents are highly literates and are most qualified to provide answers for this study.

Concerning duration of service with the banking sector result from table 4 shows that, 48.13% of the respondents have served the banks for 1-4 years, majority representing 37.19% said they have worked with the bank for 5-8 years 7.81% have worked with the bank for 9-12 years and about 6.88% fall within the range of 13 years and above. This result indicates that majority of the respondents have stayed with the bank for five years and above therefore, are qualified to provide valid responds for the study. The distribution of respondents based on position in their organizations indicates that 60 (15.7%) of the respondents belong to the managerial cadre, (49.38%) were sales representatives while majority of the respondents, (50.61%) were other staff. The result implies that most employees of deposit money banks that participated in the survey are other staff.

Demographic Characteristics of the respondents

Table 3: Demographic characteristics of Respondents

Attributes	Frequency	Percentage (%)
Gender		
Male	164	51.25
Female	156	48.75
Total	**320**	**100**
Age distribution		
21-30	90	28.13
31-40	118	36.88
41-50	78	24.38
51 and above	34	10.63
Total	**320**	**100**
Educational qualification		
ND/NCE	113	35.31
HND /First Degree	146	45.63
Higher Degree	61	19.06
Total	**320**	**100**
Duration of service (Years)		
1-4	154	48.13
5-8	119	37.19
9-12	25	7.81
13 and Above	22	6.88
Total	**320**	**100**
Position in the Organization		
Managerial Position	158	49.38
Operational Position	162	50.61
Total	**320**	**100**

Source: Field Survey, 2025

Regression Result

The study investigated the extent to which the predictor variables explained variations in the competitive advantage of deposit money banks in Makurdi Metropolis, Benue State. The significance and suitability of the model were assessed using the Analysis of Variance (ANOVA) test by computing the F-statistic and its corresponding p-value. The decision rule was based on comparing the p-value of the F-statistic with the 0.05 significance level. If the p-value was less than 0.05, the model was considered statistically significant and suitable for further analysis; otherwise, it was considered statistically insignificant. This was followed by the estimation and interpretation of the coefficients of the predictor variables. Multiple regression analysis was conducted at a 95% confidence level ($\alpha = 0.05$), with competitive advantage as the dependent variable and sensing capabilities, innovation capabilities, networking capabilities, seizing capabilities, and reconfiguration capabilities as the independent variables.

Table 4: Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
1	.932	.763	.754	.746	1.784

a. Predictors: (Constant), Sensing Capabilities, Innovation Capabilities, Networking Capabilities, Seizing Capabilities, Reconfiguration Capabilities

b. Dependent Variable: Competitive Advantage

Source: Researcher's Computation from SPSS Output, 2026

The result presented in Table 4 shows the regression model summary. The model recorded an R-square value of 0.932, indicating that managerial capabilities—sensing, innovation, networking, seizing, and reconfiguration capabilities—collectively explained 93.2% of the variation in competitive advantage, while the remaining 6.8% was attributable to other factors not included in the model. The R-value of 0.932 also indicates a strong positive relationship between managerial capabilities and competitive advantage. Overall, the result suggests that the managerial capability dimensions included in the model are important predictors of competitive advantage among deposit money banks in Makurdi Metropolis.

Table 5: Analysis of Variance (ANOVA)

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	88.845	5	17.769	25.530	.000
Residual	217.895	313	.696		
Total	306.74	318			

a. Dependent Variable: Competitive Advantage

b. Predictors: (Constant), Sensing Capabilities, Innovation Capabilities, Networking Capabilities, Seizing Capabilities, Reconfiguration Capabilities

Source: Researcher's Computation from SPSS Output, 2026.

The Analysis of Variance (ANOVA) results presented in Table 5 indicate that the regression model is statistically significant, with an F-statistic of 25.530 (5, 341) and a p-value of less than 0.001, which is below the 0.05 significance level. The result therefore indicates that the model has a statistically significant overall fit and is adequate for explaining variations in the competitive advantage of deposit money banks in Makurdi Metropolis, Benue State. Accordingly, the null hypothesis that managerial capabilities do not significantly explain competitive advantage is rejected, indicating that managerial capabilities collectively have a significant effect on the competitive advantage of deposit money banks in the study area.

Table 6: Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	*T*	Sig.
	B	Std. Error	Beta		
(Constant)	.498	.314		1.480	.144
Sensing Cap.	.201	.043	.220	3.201	.003
Innovation Cap.	.108	.055	.115	2.177	.002
Networking Cap.	.171	.070	.125	2.698	.004
Seizing Cap.	.268	.047	.207	4.114	.001
Reconfiguration Cap.	.133	.063	.114	2.425	.000

a. Dependent Variable: Competitive Advantage

Source: Researcher's Computation from SPSS Output, 2026.

Table 6 presents the results of the regression coefficients. The beta coefficients indicate that all five independent variables have positive and statistically significant effects on competitive advantage. Specifically, sensing capabilities recorded $\beta = 0.220$ ($p = 0.003$), innovation capabilities recorded $\beta = 0.115$ ($p = 0.002$), networking capabilities recorded $\beta = 0.125$ ($p = 0.004$), seizing capabilities recorded $\beta = 0.207$ ($p = 0.001$), and reconfiguration capabilities recorded $\beta = 0.114$ ($p = 0.000$). These results indicate that, when the effects of the independent variables are considered in the regression model, managerial capabilities significantly contribute to the competitive advantage of deposit money banks in Makurdi Metropolis, Benue State. The constant value of 0.498 indicates the estimated level of competitive advantage when the predictor variables are held at zero.

The results further indicate that, holding other factors constant, a one-unit increase in sensing capabilities is associated with a 0.220-unit increase in competitive advantage, representing a 22.0% increase. Similarly, a one-unit increase in innovation capabilities is associated with a 0.115-unit increase in competitive advantage, equivalent to 11.5%. A one-unit increase in networking capabilities is associated with a 0.125-unit increase in competitive advantage, representing 12.5%. Furthermore, a one-unit increase in seizing capabilities is associated with a 0.207-unit increase in competitive advantage, equivalent to 20.7%, while a one-unit increase in reconfiguration capabilities is associated with a 0.114-unit increase in competitive advantage, representing 11.4%. Overall, the findings indicate that each dimension of managerial capabilities makes a statistically significant positive contribution to competitive advantage.

Test of Hypotheses

The hypotheses can be evaluated using the calculated t-statistics and p-value that correspond to each factor. The hypotheses were assessed at 95% confidence level and therefore, the decision rule was if the calculated t-statistics falls between the critical value of two which is ±1.96 then accept the null hypothesis (Ho) otherwise, reject Ho. Alternatively, rejecting the null hypothesis can also be done if the p-value is less than 0.05.

Test of hypothesis One

$H0_1$: Sensing capabilities have no positive and significant effect on the competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

The study was conducted to test the null hypothesis that, sensing skills have no substantial effect on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State. The decision criteria were to approve H01 if $0.05>P>0$ and $\beta1= 0$. The results of multiple regression in Table 12, showed that sensing capabilities had $\beta1=0.220$, p-value=0.003. Since p was less than the significant level of 0.05, the study accepted H01 which suggests that sensing capabilities has significant effect on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

$H0_2$: Innovation capabilities have no positive and significant effect on the competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

The research was carried out to test the null hypothesis that innovation skill has no significant effect on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State. The criterion for selection was to accept H01 when $\beta1 = 0$ and $P > 0.05$. Table 12 reports the results of multiple regression analysis, which show that inventive capabilities ($\beta1=0.115$, p-value=0.002) The study rejected H01 because p was greater than the significant level of 0.05 implying that innovation capabilities had no significant effect on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

$H0_3$: Networking capabilities have no positive and significant effect on the competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

The study was carried out to test the null hypothesis that networking capabilities do not significantly affect competitive advantage of deposit money banks in Makurdi Metropolis, Benue State. H01 was acceptable if $\beta1= 0$ and $P > 0.05$ as the decision-making condition. Table 12 demonstrates that the results of multiple regression suggest that networking capability had $\beta1=0.125$, p-value=0.004 The study accepted H01 since p was less than the significant level of 0.05. Thus, networking capabilities have a significant effect on the competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

$H0_4$: Seizing capabilities have no positive and significant effect on the competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

The study evaluated the null hypothesis that: Ho: There is no substantial influence of seizure capability on the competitive advantage of deposit money banks in Makurdi Metropolis, Benue State. The basis for the judgement was that H01 was acceptable if $\beta1= 0$, $P > 0.05$. The multiple regression results in Table 12 suggested that networking capabilities had $\beta1=0.207$, p-value=0.001. The study acknowledged H01 that snatching talents had significant effect on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State as the p value was less than the significant level of 0.05.

H0$_5$: Reconfiguration capabilities have no positive and significant effect on the competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

The study evaluated the null hypothesis that reconfiguration capabilities do not significantly impact the competitive advantage of deposit money banks in Makurdi Metropolis Benue State. The decision rule was that H01 would be accepted if $\beta 1= 0$ and $P > 0.05$. In the multiple regression results, in Table 12, reconfiguration capabilities had $\beta 1=0.207$, p-value=0.001. The study accepted H01 since p was less than the significant level of 0.05. This suggests that reconfiguration capabilities have substantial effect on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State.

Discussion of Findings

i. Investigating the effect of sensing capabilities on competitive on advantage of deposit money banks in Makurdi Metropolis, Benue State.

The study evaluated the null hypothesis that there is no significant effect of sensing capabilities on competitive advantage of deposit money institutions in Makurdi Metropolis, Benue State. The decision rule was to reject H_{01} if p-value < 0.05 and fail to reject the null hypothesis otherwise. The findings of multiple regression analysis showed that sensing capabilities ($\beta = 0.220$, $p = 0.003$). The study excluded H01 because the p-value was less than 0.05 level of significance and found that sensing capabilities had considerable beneficial effect on the competitive advantage of deposit money banks in Makurdi Metropolis, Benue State. This finding is similar with Athman and Gichinga (2024) which found that sensing competence greatly impacts the organisational performance of small and medium firms. The finding is further reinforced by Ng'ang et al. (2024) whose regression results indicated that sensing capabilities have a statistically significant effect on the performance of the supermarkets in the cities of Kenya ($\beta = 0.535$, $t = 10.393$, $p < 0.05$). Likewise, Khalif et al. (2022) revealed that there exists a positive and significant association between sensing capability and performance of commercial state firms in Kenya with strategic fit significantly moderating the relationship between sensing capability and organisational performance.

ii. Asses the effect of innovation capabilities on competitive advantage of deposit money in Makurdi Metropolis, Benue State: The study sought to test the null hypothesis that innovation capabilities have no significant effect on the competitive advantage of deposit money banks in Makurdi Metropolis, Benue State. The decision rule was to reject H0,2 if the p-value was smaller than 0.05 and to fail to reject the null hypothesis otherwise. The multiple regression analysis results showed that the beta coefficient of innovation capabilities was $\beta = 0.115$, and the p-value was 0.002. The study disregarded H_{02} because the p-value was less than the 0.05 level of significance and found that innovation capabilities had a substantial positive effect on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State. This finding is in line with Mboga et al. (2023) where the regression results indicated that product innovation capability, process innovation capability, marketing innovation capability and technological innovation capability had a positive and significant influence on the performance of manufacturing firms in Nairobi City County, Kenya. This is further confirmed by Zang (2025) who finds that innovation capabilities influence firm performance in diverse environmental variables such as regional development, innovation policy assistance, industry type and ownership. Similarly, Rehman et al. (2020) observed that innovation capability has a substantial positive link with the firm performance.

iii. Evaluate the effect of networking capabilities on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State: The study was designed to investigate the null hypothesis that networking capability had no substantial effect on the competitive advantage of deposit money institutions in Makurdi Metropolis of Benue State. The decision criterion was to reject H03 if the p-value is less than 0.05, otherwise do not reject the null hypothesis. The findings of multiple regression analysis indicated that networking capabilities had a beta coefficient of $\beta = 0.125$ and p-value = 0.004. The study rejected H 03 since the p-value was less than the 0.05 level of significance and found that networking capabilities had a substantial positive effect on the competitive advantage of deposit money institutions in Makurdi Metropolis, Benue State. This result is in line with Ali et al. (2026) who discovered that entrepreneurial self-efficacy and networking ability greatly impact business performance. Also, Ehimare and Chima (2025) revealed that networking competence is associated with success in an organization and advocated that it should be enhanced to better organisational outcomes. Similarly, Nima et al. (2020) discovered that networking capability, inter-organizational knowledge processes, and inter-organizational learning are interrelated in a self-reinforcing cycle that significantly affects the firm's innovation performance.

iv. Evaluate the effect of seizing capability on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State: The study tried to test null hypothesis that there is no significant influence of seizing capabilities on the competitive advantage of deposit money institutions in Makurdi Metropolis, Benue State. The decision criterion was to reject H_{04} if the p-value is less than 0.05 and not to reject the null hypothesis otherwise. Multiple regression analysis showed that grabbing capabilities had a beta coefficient of $\beta = 0.207$ and p-value of 0.001. The study rejected H04 and found that seizing capabilities significantly and positively affect the competitive advantage of deposit money institutions in Makurdi Metropolis, Benue State as the p- value is less than the level of significance of 0.05. This finding is consistent with Min and Kim (2022) who have found a larger favourable influence of a firm's opportunity-seizing ability on new market development within a highly uncertain business environment. The result is also in line with the findings of Morgan et al. (2021) that the seizing capabilities of family firms have a strong favourable effect on business survival and growth. The study also indicated that sensing and seizing, learning and reconfiguring and succession-planning capabilities should be effectively deployed by business managers to increase corporate survival and growth. The finding is also in line with Popadiuk et al. (2018), who argued that opportunity seizing capabilities enable firms to develop and enhance products, knowledge, and traditional markets by means of internal activities that can generate economies of scale and facilitate the effective orchestration of resources. These findings confirm the finding of the current study that shows that the competitive advantage of deposit money institutions is mainly contributed by seizure capabilities.

v. Assess the effect of reconfiguration capabilities on competitive advantage of deposit money banks in Makurdi Metropolis, Benue State: The study was to investigate the null hypothesis that reconfiguration capabilities had no substantial impacts on competitive advantage of deposit money institutions in Makurdi Metropolis, Benue State. Decision Making: The Null Hypotheses H 0 5 If p-value < 0.05 Reject H 0 5 Else Do not Reject H 0 5 Multiple regression study results found reconfiguration capabilities having a $\beta = 0.207$ and p-value = 0.001 The p-value was less than the 0.05 level of significance, $H0_5$ was rejected and it was concluded that reconfiguration capabilities has a substantial positive effect on competitive advantage of deposit money institutions in Makurdi Metropolis, Benue State. The result corroborated the study by Wogwo and Hamilton (2018), who disclosed reconfiguration skill is highly related to competitive advantage and need to comprehend unidimensional versus multi-dimensional of reconfiguration. Similarly, Naguib et al. Also, (2017) in a study undertaken to assess the relationship between reconfiguration capabilities and sustainability of competitive advantage based on a Resource-Based View of operational profit: Evidence from Egypt. Okocha and Amah (2021) revealed that reconfiguration capabilities have good impacts on family business growth in Nigeria. These findings imply that Reconfiguration capabilities allow organisations to alter existing functional competencies by radically transforming or improvising them via plasticity and adaptively shaping other intrinsic assets in view of new opportunities and environmental shocks that are likely to create competitive advantage.

Conclusion

The study assessed the effect of managerial capabilities on the competitive advantage of deposit money banks in Makurdi Metropolis, Benue State. The study results revealed that sensing, innovation, networking, seizing, and reconfiguration capabilities significantly and positively influence the competitive advantage of deposit money banks in Makurdi Metropolis, Benue State. This means that the manager's opportunities-spotting and threat-recognizing abilities, innovative development and introduction skills, network brokerage competencies, and exploitation and reconceptualization proficiencies significantly and positively impact the competitive advantage of the banks. Overall, the study concludes that managerial capabilities are critical dynamic resources for the banks since they enable the banks to respond to challenges and emerge more competitive.

Recommendations

Based on the conclusion of the study, the following recommendations were made. They are;

i. Deposit money banks in Makurdi should strengthen their market intelligence systems to continuously monitor customer needs, competitors' actions, and changes in the financial environment. this will enable managers of these deposit money banks to be trained to anticipate industry trends and proactively align products and services to emerging opportunities.

ii. Deposit money banks should invest more in digital banking innovations such as mobile apps, internet banking, and AI-driven customer service tools to enhance customer experience and loyalty. This will enable management of these deposit money banks to create an innovation-friendly culture that encourages creativity, experimentation, and the adoption of new ideas.

iii. Management of deposit money banks should develop strong partnerships with fintechs, regulators, and other stakeholders to broaden service delivery channels and gain market leverage. This will enhance and deepen customer relationship management (CRM) practices to build long-term trust and loyalty.

iv. Managers of deposit money banks should put in place robust decision-making frameworks to quickly take advantage of opportunities in lending, investments, and new markets. This will enhance their risk management systems to ensure that opportunities are seized without exposing the institution to undue risks.

v. Management of deposit money banks should regularly review and adapt their organizational structures, processes, and resource allocations to remain competitive in a dynamic business environment. This will enable them to embrace continuous staff training and digital transformation initiatives to ensure flexibility and responsiveness.

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