

RESOURCE MANAGEMENT ACCOUNTABILITY AND ORGANIZATIONAL SUSTAINABLE COMPETITIVE ADVANTAGE: EVIDENCE FROM NIGERIAN RESEARCH INSTITUTES

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Abstract

In this study, we examined the influence of resource management accountability on organizational sustainable competitive advantage in the Nigerian Research Institutes, Benin City. The population of the study consists of all employees of the Nigerian Research Institutes, Benin City. A survey research design was adopted through the administration of structured questionnaire drawn with the aid of convenience sampling technique to three hundred and fifty (350) employees, which were arrived at by the use of number estimation formula. In theoretical terms, the dynamic capability theory was adopted as the outcome of interactions between resource management accountability and organizational sustainable competitive advantage. Collected data were analyzed using SPSS 22.0 by running both descriptive and inferential statistics. The model parameters used in the framework were analyzed using the Ordinary Least Squares (OLS) estimation technique. The findings revealed that resource management accountability has a positive and significant relationship with organizational sustainable competitive advantage in the Nigerian

Research Institutes, Benin City. Based on this, it is recommended that organizations should design accountability framework that will be used to communicate, implement, monitor and improve on employee commitments towards the realization of organizational sustainable competitive advantage. Also, a culture of accountability and transparency should be actively promoted as a shared value and should be demonstrated through the clear articulation and consistent application of organization's rules and regulations, policies and procedures including organization's ethical values and standards of conduct.

Keywords: Accountability, Dynamic Capability Theory, Organizational Sustainable Competitive Advantage, Research Institutes, Resource Management.

1.0 Introduction

In today's highly dynamic and competitive business environment, firms are exposed to strict challenges with meeting the ever increasing market and customer needs and expectations. When resources are not well managed, achieving good result becomes

challenging. The ability of organizations to function effectively is greatly dependent on ways and manner they manage their resources. Available resources must be prudently managed so as to ensure the provision of the necessary facilities to the employees/customers.

Omogbe and Eniola (2017) emphasized that when organizational resources are well managed and accounted for it can be used to create sustained competitive advantage for a firm. These resources in terms of promoting organizational sustainable competitive advantage are unique and distinctive capabilities which are specific to particular organizations. However, if there is no good accountability of resources in the organization, achieving organizational sustainable competitive advantage becomes a mirage.

With ever increasing consumers' value-based purchasing, firms must build organizational sustainability and competitive advantage to meet the value demands set by customers and competitors. In order to ensure the competitiveness and success of the organization, managers need to support, plan for and nurture an accountability culture as a key element for the organization. It is important to note that huge amount of money is lost through firm's irresponsible management of resources, which to say the least, drains the firm's meager resource through fraudulent means with far-reaching and attendant consequences on the competitive advantage of the firm. These unpalatable challenges and its consequences on sustainable competitive advantage make this study imperative.

1.1 Statement of the Research Problem

A number of studies have been carried out on organizational sustainable competitive advantage (Reed, Lemak & Mero, 2000; Economou & Chatzikonstantinou, 2009; Addae-Korankye, 2013; Munizu, 2013; Mavaza, Halimani, Gumbo & Farai, 2015; Omogbe & Umemezia, 2017). These studies consider the influence of total quality management on organizational sustainable competitive advantage. In the study of Omogbe and Eniola (2017), the impact of production facilities maintenance practices on organizational sustainable competitive advantage was examined. Also, Omogbe and Adjaino (2019) studied the effect of supply chain management practices on competitive advantage in selected Nigerian table water industry in Edo State.

In this study, the need to shift from the above stated effect of exogenous variables on organizational sustainable competitive advantage to the role of accountability in promoting organizational sustainable competitive advantage was deemed necessary. We live in an age of rapid, unexpected, and unpredictable changes in business with far reaching consequences. To this end, the importance of accountability cannot be overemphasized (Anastasiu, 2009). Accountability plays an increasingly important role in sustaining leading edge competitiveness for organizations in times of rapid change and increased competition (Yoshino & Taghizadeh-Hesary, 2016). Organizations are faced with the challenge of making significant strides in reducing costs, enhancing customer service, improving profits, and boosting productivity

(Kesti, 2012). They can accomplish this through a rigorous program of resource management for the organization, and at the heart of resource management is accountability.

An organization working towards achieving sustainable competitive advantage must as a matter of emphasis embrace accountability. This is because accountability is a quality control device and a requirement that those who hold trust account for the use of that trust to their representatives. When an organization is resource irresponsible, its ability to function effectively is severely limited. A resource irresponsible organization cannot sustain programs designed to provide fast relief to its customers and depending on the extent of the budgetary problem, may not even be able to fund its own programs in ordinary times. This can have strong effect on the sustainable competitive advantage of the firm.

1.2 Objective of the Study

The objective of this study was to examine the influence of resource management accountability on organizational sustainable competitive advantage in the Nigerian Research Institutes, Benin City.

1.3 Hypothesis of the Study

The following hypothesis was tested to achieve the objective of this study.

Ho1: There is no significant relationship between resource management accountability and organizational sustainable competitive advantage in the Nigerian Research Institutes, Benin City.

Ha1: There is a significant relationship between resource management accountability and organizational sustainable competitive advantage in the Nigerian Research Institutes, Benin City.

2.0 Literature Review

2.1 Concept of Resource Management Accountability

Olowu (2002) stated that accountability is the development of objective standards of evaluation to assist organization in the appraisal of performance of duties by individuals and units within the organization. In the views of Okpala (2012), accountability is the obligation of persons or entities entrusted with resources to be answerable for the fiscal, managerial and program responsibilities that have been conferred on them and to report to those that have conferred these responsibilities. Accountability becomes relevant when agents are able to demonstrate to the satisfaction of their principal that they have exercised the power conferred and achieved the agreed objectives, by using the resources provided effectively and efficiently (Okpala, 2012). Consequently, accountability is the means through which power is used responsibly.

To this end, the concept of accountability involves two distinct stages: answerability for one's actions or behaviour and enforcement. Answerability refers to the obligation of the management to provide information about their decisions and actions and to justify them to the employees and those units of accountability tasked with providing oversight (Humanitarian Accountability Partnership, 2010). Enforcement suggests that the employees or

those units responsible for accountability can sanction the offending party or remedy the contravening behaviour. There is the need to recognize that the essence of accountability is to respect the needs, concerns, capacities and situation of the people they aim to assist, and to be answerable for their actions and decisions to these people and other stakeholders.

Resource management is the efficient and effective placement of a firm's resources to where and when they are required. Firm's resources may include financial resources, inventory and how it is managed, human skills and knowledge, production resources, organizational processes, firm attributes, information technology (IT), etcetera. Barney (1991) posits that all these firm's resources can be classified in terms of physical, human, or organizational capital. Monitoring and evaluation of resources help to determine if a firm is on the pathway to producing the desired results. Consequently, resource management helps to: identify what projects and activities should continue; improve actions and schedules where they are less effective; and change actions and plans if they are ineffective. Each and every employee plays a significant role in the achievement of organizational goals and the management of resources in an ethical and transparent manner. Greater accountability will enhance every staff member's sense of achievement of the objectives of the organization with the reward of contributing to the organization's successes.

Firms benefit from accountability in terms of prudential resource management that can lead to higher productivity, higher revenues, increased competitive advantage and long-

term survival. Accountability is an essential enabler for firms to create value and sustain competitive advantage in the increasingly today's complex and rapidly changing environment. Therefore, firms with greater accountability will be more successful in developing new resource capabilities that allow them to achieve better sustainable competitive advantages.

2.2 Sustainability of Firm's Competitive Advantage

In the views of Reed *et al* (2000), competitive advantage is the outcome of a strategy that generates increased value for a firm, relative to its competitors. Competitive advantages are those unique factors that a firm needs to have in order to succeed in business (Barney & Hesterly, 2010). Omoregbe and Eniola (2017) posit that these unique factors encompasses capabilities such as expertise, technology, strategy, skills and knowledge, the ways the employees are managed, ability to manage change, processes that allow a firm to differentiate itself from its competitors. Consequently, these unique factors help firms to create more economic value than its rivals. The various definitions emphasize that firms use competitive advantage as a leverage to stay ahead of potential competitors in the industry. This aids in the offering of customers better and greater value.

Viable business strategy may not be adequate unless it possesses control over unique resources that have the ability to create such a unique advantage. At the heart of this is accountability. The successful implementation of accountability framework will lift a firm to superior

performance by facilitating the firm with competitive advantage to outperform potential competitors. Consequently, sustainability of competitive advantage thrives in organizations that embrace accountability and management of available resources effectively and efficiently.

2.3 Underpinning Theory

The study seeks to investigate the influence of resource management accountability on organizational sustainable competitive advantage of the Nigerian Research Institutes, Benin City. The model framework for this study is anchored on the dynamic capability theory. The model postulates that competitive advantage stems from the effective and efficient use of firm specific resource and capability bundles (Penrose, 1995). Consequently, the dynamic capabilities framework incorporates managerial decisions regarding resource allocations for capability development. Basically, the theory identified the principles of accountability and efficiency; reduction of expenditure; improvement in resource use through labour discipline; flexibility in decision making; competition in the organization through decentralization and emphasis on result through policies and procedures (Teece, Pisano & Shuen, 2007).

The theory appropriately linked resource management accountability and organizational sustainable competitive advantage as the independent and dependent variables respectively of the study. As a conceptualization of effective resource management accountability, dynamic capability theory is a relentless drive in the direction of greater transparency in resource

allocation, decentralization of management authority and performance management.

3.0 Methodology

The study adopted the survey research design. It made use of primary data that were gathered through field survey using self-administered questionnaire. The data were sourced between April, 2019 and July, 2019. The population of the study consisted of all staff of the Nigerian Research Institutes in Benin City. The experience of staff in resource-based economies in the area of management and administrative practices and the structure/economy of accountability informed the selection of the case study. The data obtained from the personnel's office of the Nigerian Research Institutes in Benin City indicate a total population of 2519 staff as at July 2019, and the breakdown is as follows: The total population of staff of Nigeria Institute for Oil Palm Research (NIFOR), Benin City is 1571 where the researchers and non-researchers stood at 463 and 1108 respectively. Also, the total population of staff of Rubber Research Institute of Nigeria (RRIN), Benin City stood at 948 where the researchers and non-researchers stood at 101 and 847 respectively.

The sample size was arrived at by the use of number estimation formula as suggested by Yamane (1967) as calculated below.

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

Where: n= sample size; N= population size; e = percentage level of significance; and N = 2519

$$n = \frac{2519}{1+2519(0.05)^2}$$

= 345; Approximately = 350.

The justification for the use of the formula is to scientifically use an appropriate and

considerable sample of respondents that are currently employed by the Nigerian Research Institutes in Benin City. For the purpose of arriving at a more realistic, accurate and clear result, the sample size of the respondents was proportionately determined among the research institutes, namely: Nigeria Institute for Oil Palm Research (NIFOR), Benin City and Rubber Research Institute of Nigeria (RRIN), Benin City, using stratified random sampling procedure by distributing two hundred and eighteen (218) questionnaires to respondents of Nigeria Institute for Oil Palm Research (NIFOR), Benin City and one hundred and thirty-two (132) questionnaires to respondents of Rubber Research Institute of Nigeria (RRIN), Benin City. Convenience sampling was used to distribute the questionnaire because it gives room for easy access and interaction with the different respondents that filled the questionnaire. Out of the chosen sample size of 350 given questionnaire; 347 respondents' questionnaire were valid and the responses used for data analysis, interpretation and presentation, making the response rate of 99.14%.

The questionnaire for this study consisted of three main sections, namely the profile of the respondents and specific questions designed to measure the respondents'

organizational sustainable competitive advantage constructs in line with resource management accountability of the firms. The instrument used for the data collection was a closed ended questionnaire designed for the subjects. It employed a five points Likert type scales with 1 = strongly disagree (SD), 2 = disagree (D), 3 = undecided (U), 4 = agree (A), 5 = strongly agree (SA) to measure all the items. Collected data were analyzed through descriptive and inferential statistics. All data were coded and the test analyses were done at 5% level of significance using the Statistical Package for the Social Sciences (SPSS) version 22.0.

The items on the questionnaire were face validated by senior lecturer colleagues in the research area. Pilot study was conducted by testing and pre-testing the questionnaire with 20 selected respondents from the different Nigerian Research Institutes in Benin City. Feedbacks were unified and questions were then reviewed. The final version of the questionnaire consisted of 16 closed ended questions. To test reliability of the research instrument, the researchers used Cronbach's alpha as a diagnostic measure. It assesses the consistency of the entire scale. The result of the reliability analysis is summarized in Table 1.

Table 1: Cronbach Alpha

Variables	Number of Items	Cronbach Alpha
Resource Management Accountability	8	0.7351
Organizational Sustainable Competitive Advantage	8	0.8429

Source: Researchers' computation based on the field survey 2019 using SPSS 22.0

The Cronbach's alpha value for each construct as shown in the Table above is above 0.6. This means that the questionnaire was reliable and can be depended upon to elicit the necessary information from the respondents (Nunnally & Bernstein, 1994).

The model for the study was formulated as organizational sustainable competitive advantage is a function of resource management accountability. It was therefore stated functionally as:

$$OSCA = f(RMA) \dots\dots\dots (1)$$

$$\text{Therefore, } OSCA = \beta_0 + \beta_1 RMA + \epsilon \dots\dots\dots (2)$$

Where: OSCA = organizational sustainable competitive advantage; and RMA = resource management accountability; β_1 = coefficient of elasticity displaying degrees of explanation power about organizational sustainable competitive advantage; β_0 = constant term; and ϵ = error term.

$$\text{And apriori expectations: } \beta_1 > 0 \dots\dots (3)$$

4.0 Presentation and Discussion of Findings

Table 2: Regression Analysis Using Ordinary Least Square Estimation Technique

Variable	Mean	Standard Deviation	Coefficient	Standard Error	t-Statistics	P-Value	Hypotheses
OSCA	3.6913	0.8971	5.9108	2.2531	2.6234	0.0000	Significant
ACC	3.8625	0.6345	0.8327	0.2619	3.1795	0.0000	Significant
R² = 0.5352, Adjusted R² = 0.5183, F- Stat (Prob.) = 25.7619 (0.000), Durbin Watson = 1.9956							

Source: Researchers' computation based on the field survey 2019 using SPSS 22.0

Table 2 revealed that the Nigerian Research Institutes in Benin City involved in resource management has high emphasis on accountability of resource management (mean = 3.8625). The Table also showed the mean of the organizational sustainable competitive advantage. This revealed that the Nigerian Research Institutes in Benin City have high organizational sustainable competitive advantage with a mean of = 3.6913, which is above the average mean of 3.

The results of the estimated simple regression model using OLS are presented in Table 2 below. The coefficient of determination (R-square) of 53.5% indicates that for the period under study based on the

obtainable data, resource management accountability accounted for 53.5% of the changes in organizational sustainable competitive advantage of the Nigerian Research Institutes in Benin City with 46.5% being explained by other variables which were not included in the study. This indicates highly impressive goodness of fit for the model. It shows that the model is a good method for the estimates.

The F- Statistics of 25.7619 with probability value of 0.0000 indicates that there was a simultaneous linear relationship between resource management accountability and organizational sustainable competitive advantage of the Nigerian Research Institutes in Benin City. We therefore reject

the hypothesis of a non-linear simultaneous relationship between organizational sustainable competitive advantage and the explanatory variable. This suggests that the effect of the independent variable in the model is significant in explaining the systematic variations in organizational sustainable competitive advantage of the Nigerian Research Institutes in Benin City. The Durbin-Watson (D-W) statistic values for the equation of 1.9956 is approximately 2. Thus, there is the absence of a first order position autocorrelation in the model. This means that the results from this study are very comprehensive for policy implementation and recommendation.

The results of the OLS analysis from Table 2 show support for the alternate hypothesis. It reveals that resource management accountability has a significant influence on organizational sustainable competitive advantage of the Nigerian Research Institutes in Benin City ($\beta_1=0.8327$, $p<0.05$). Therefore, this result provides support for the assertion that resource management accountability leads to improved organizational sustainable competitive advantage. This indicates that management and employees believe that resource management accountability with a clear definition of responsibility, reporting mechanisms, and a system of review, rewards and sanctions can lead to substantial progress towards the achievement of results, building of trust in the organization's relevance and ability to deliver, and the effective management of organizational resources.

The finding of this study is supported by the outcomes of prior studies (Valliere &

Peterson, 2009; Humanitarian Accountability Partnership, 2010; Yoshino & Taghizadeh-Hesary, 2016). These studies have proved that firm's resource management can significantly increase organizational performance. Effective and efficient resource management that can lead to sustainability of competitive advantage of the firms is mostly driven by accountability (Humanitarian Accountability Partnership, 2010). Valliere and Peterson (2009) established relationships between accountability and organizational performance. The study emphasized that resource management accountability is undoubtedly important for organizations in terms of survival. This is further supported by the findings of Yoshino and Taghizadeh-Hesary (2016) that accountability in the organisations is one of the most important tools for achieving organizational sustainable competitive advantage as it provides an indication of the progress towards the achievement of results and the effective management of organizational resources.

5.0 Conclusion and Recommendations

This research was conducted to examine the influence of resource management accountability on organizational sustainable competitive advantage of the Nigerian Research Institutes in Benin City. From the result of the study, there exists positive and significant relationship between resource management accountability and organizational sustainable competitive advantage of the Nigerian Research Institutes in Benin City. The efficient and effective, prudent management, deployment and allocation of organization's resources through accountability is crucial to

sustainable competitive advantage of firms. When resources are not well accounted for, achieving organizational goals becomes difficult if not impossible. For firms to be successful in achieving effective and efficient resource management through accountability that will lead to organizational sustainable competitive advantage, the following recommendations are made:

1. Organizations should design accountability framework, that is, a document that specifies what stakeholders can hold an organisation accountable for, as a business strategy that will enable them to communicate, implement, monitor and improve on employee commitments towards the realization of the objectives of the organization.
2. A culture of accountability and transparency should be actively promoted as a shared value and should be demonstrated through the clear articulation and consistent application of organization's rules and regulations, policies and procedures including organization's ethical values and standards of conduct.
3. Lessons from monitoring, evaluation, audit and feedback from internal and external stakeholders should be systematically used to strengthen performance and accountability.
4. Timely reporting on the achievement of results and the use of resources to management and employees should be done to enhance organizational accountability and to support employees in fulfilling their obligations to mutual accountability.

5. For competitive advantage of the firm to be sustained, management must ensure that there is fair and accurate reporting on performance results, stewardship of funds, and all aspects of performance in accordance with regulations, rules and standards, including a clearly defined system of rewards and sanctions.

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