IJAAR PUBLISHING®
DOI: 10.46654

International Journal of Advanced Academic Research | ISSN: **2488-9849**
Vol. 7, Issue 9 (September, 2021) | www.ijaar.org

SIGNIFICANCE OF INTEGRATION CAPABILITY ON COMPETITIVE ADVANTAGE: A SURVEY OF TELECOMMUNICATION FIRMS IN NIGERIA

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Abstract

The study investigated the significance of integration capability on competitive advantage (price, differentiation and quality advantage). The four firms of Mobile Telecommunication, which are MTN, Airtel, 9mobile and Globacom were utilized as the population of study, using primary data collection, also Cronbach's alpha correlation coefficient with aid of computer based statistical package for social sciences (SPSS) version 25 was applied. Consequently, the results revealed there is a significant relationship between integration capability and competitive advantage (price, differentiation and quality advantage). In conclusion, there is need for the top level managers of the firms of mobile telecommunication to integrate into other resources so as to be advantageous over their competitor. Therefore this study recommends that managers should encourage bringing the GSM firms resources into a whole and high standard quality and at lower cost should be encouraged.

Keywords: *Integration Capability, Competitive Advantage, Price Advantage, Differentiation Advantage and Quality Advantage*

1.0 Introduction

Reasons businesses are struggling for survival presently is as a result of the failure of business owners, strategic managers not applying the appropriate managerial mechanism into business places. Integration is one of the recognize approach to business survival. Cohen and Young, (2006); Wiener and Saunders, (2014) stress on the aggressive intensification of integration capability on business environment which will in turn positively influence competitive advantage (price, differentiation and quality advantage). A developing perception to this regards, which is in the capacity of integration capability basically represents integration capability (Davy, 2014; Goldberg Kieninger and Fromm 2014). The relevance of integration capability on competitive advantage (price, differentiation and quality advantage) effortlessly is the combination of internal and external reliant of rendering of quality services at a lower cost (Anderson and Parker, 2013; Bapna, Barua, Mani and Mehra2010; Schermann, Böhmann and Krcmar 2006). Unterharnscheidt and Kieninger, (2010) maintain that integration capability establish contemporary difficulties for organizational managers who strive to adequately accomplish several assignment, therefore the need for this study (Bapna, Barua, Mani and Mehra 2010; Jin, Kotlarsky and I. Oshri 2014; Plugge and Janssen, 2014). An efficient and all-inclusive assortment of rendering of services does not impose difficulties. More specifically, integration capability does give answers to its challenges of firms in the Nigerian global system for mobile telecommunication challenges does (Anderson and Parker, 2013; Bapna et al., 2010; Goldberg, Kieninger and Fromm2014). Most businesses find it difficulty managing other resources at the same time.

The word competitive advantage is described by distinctive phrases which includes multi-level design and a special location (Porter, 1991; Matei 2013; Muratovic, 2013). The particular feature of the plan and competitive advantage enforces the inevitable to be adjustable and to manage the unpredictable. It also shows the advantage of rather can-do spirit than responsive method as relates to rivals (Dimoska and Trimcev, 2012). By implementing certain approaches and constant activities within a plan, Business organizations develop, utilize and sustain competitive advantage. Competitive advantage is the firm's capacity to carry out a new market plan that reduces speeding which is price, efficiency and enough use of market opportunities (Africa Competitiveness Report, 2009; Newbert, 2008).

2.0 Literature Review

Integration capability is viewed as the competence of business structure which operates to become fully aware of the organizational structure, asset and the interconnected, associations and ideas among the assets and the business, operation, devices of technical competences, the structure and the benefit derived (Gewertz, 2016).Integration can be described as an involvement of current proficiencies into the business organization, associating and connecting them with present day assets and competencies (Eisenhardt and Martin, 2000; Iansiti and Clark, 1994; Teece PisanoandShuen1997; Teece, 2007). Integration requires the bringing together of diverse assets, for the purpose of combing modern intellect with the contemporary brainpower cornerstone. This lies on the jointly consistent intelligences advanced inwardly and the attainment of outward asset, in addition to the blending of current resources. Dynamic Capabilities is a very crucial component, this is so because it promotes the sustentation of the transformation that intelligence formulation establishes (Verona and Ravasi, 2003). Howbeit, intelligence merely becomes important to the organization by the means of combination or consolidation (Ayuso, Rodrı-guez, and Ricart, 2006; cf. Verona and Ravasi, 2003). Organizations employed different combination of intellectual approaches which depend on business communication and cooperation standards (Macpherson, Jones and

Zhang 2004). Despite the fact that integration is a complicated technique, improvement of the individual work standard, reorganization of an entire production area, different stream physical and intelligence framework assist with the capability to improve integration (Benner, 2009; Lo´pez-Mielgo, Montes-Peo´n, and Va´zquez-Orda, 2009).Consequently, integration is the fundamental action in attempting to the intelligence organisation, these intelligence aid in the attainment of access.

Hayes, (2002) and Schroeder, Bates, and Junttila, (2002) who connected integration, product quality, delivery, reliability, process, legibility, differentiation and cost leadership capabilities, respectively. In addition, clustering of resources does not ensure maintainable competitive benefit, this is because the resources that will bring competitive benefit must be constructed from time to time in the firm (Borch and Madsen, 2007). Resources must be converted into competencies to accomplish maintainable competitive benefit (Borch and Madsen, 2007).

Michael, (2004) describes the genuineness of rivalry pricing as the type of pricing that includes the utilization of rival prices as the source for placing one's own price. In this case, prices placed are slightly lower, higher or the same as the rivals compared to the strategy engaged to align the products and services. Foreman and Hunt, (2005) discovered that premium pricing strategy is where organizations agree to lessen the price of production and rendering of services so as to win those clients that value the minimum disparity in product prices. Quality, as noted by (Kazan, Ozer and Cetin, 2006) is described as the utilization of several aspects, as it is a personal objective that has overwhelming features.

This study will be relevant to other researchers and professionals in the field of management. More interestingly, there are studies on integration capability. Although, to the best of my knowledge, there is no study on the significance of integration capability and competitive advantage (price, differentiation and quality advantage) of telecommunication firms in Nigerian.

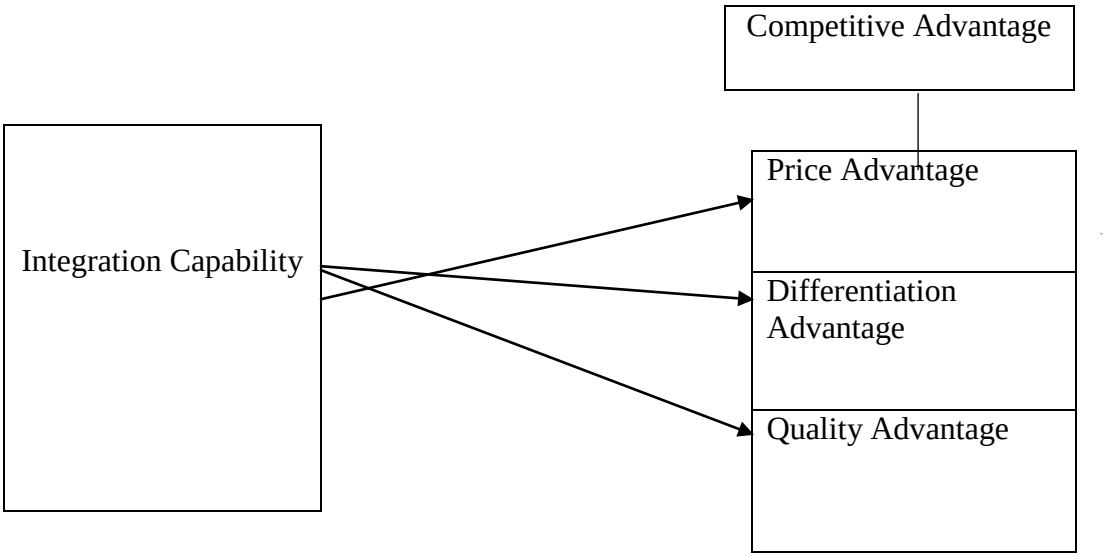

Figure 2.1 Operational Conceptual Framework of Integration Capability and Competitive Advantage (price, differentiation and quality advantage)

Source: Desk Research, (2021).

The framework above revealed the relationship between integration capability and competitive advantage (price, differentiation and quality advantage) of firms in the Nigeria global system for mobile telecommunication.

3.0 METHODOLOGY

This study adopted a cross-sectional survey was employed in view of this fact-finding. Ahiauzu and Asawo, (2016) affirms that investigation is a snapshot of data at a particular time, in other words it is a time collection of data.

Population of the Study

The four firms in the Global System for Mobile Telecommunication, which are MTN, Airtel, 9mobile and Globacom were the population of the study which is shown in the table below

Table 3.1 Shows the Numbers of Distributed Questionnaire

S/NO	GSM TELECOMMUNICATION FIRMS	NUMBERS OF QUESTIONNAIRE ASSIGNED TO THE TOP LEVEL MANAGEMENT STAFF OF THE GSM TELECOMMUNICATION FIRMS.						TOTAL
		Rivers (South South)	Anambra (South East)	Lagos (South West)	Abuja, FCT (North Central)	Bauchi (North East)	Kano (North West)	NO OF QUESTIONNAIRE
1.	MTN	5	5	10	7	4	6	**37**
2.	Globacom	6	5	8	6	5	6	**36**
3.	Airtel	6	4	9	6	5	7	**37**
4.	9mobile	5	5	7	5	4	6	**32**
	Total	**22**	**19**	**34**	**24**	**18**	**25**	**142**

Source: Field Work, (2021).

Method of Data Collection

Primary data collection through obtained questionnaire was strategically employed in this study.

Reliability and Validity Test

The content validity measure in its assessment of the representativeness of the instruments was employed in this survey. Integration capability and competitive advantage (price, differentiation and quality advantage) of firms in the Nigerian Global System for Mobile Telecommunication and theoretical domains which have examined the various contexts were also utilized

Table 3.2 Scale: Reliability for Integration Capability
Reliability Statistics

Cronbach's Alpha	N of Items
.738	4

Table 3.3 Scale: Reliability for Price Advantage
Reliability Statistics

Cronbach's Alpha	N of Items
.863	3

Table 3.4 Scale: Reliability for Differentiation Advantage
Reliability Statistics

Cronbach's Alpha	N of Items
.705	4

Table 3.5 Scale: Reliability for Quality Advantage
Reliability Statistics

Cronbach's Alpha	N of Items
898	4

4.0 RESULTS AND DISCUSSION

Methods of Data Analysis
This study utilized frequencies descriptive statistics like measures of central tendencies (mean scores) and dispersion (standard deviation) for primary data analysis. The hypotheses were tested using Spearman Rank Order Correlation Coefficient with the aid of the computer based statistical package for social sciences (SPSS) version 25.

Table 4.1: Response Rate for Field Data Collection

Activities	**Number of Occurrences**	**Percentage of Occurrences**
Copies of Questionnaire issued	142	100%
Copies of Questionnaire collected	110	77.46%
Copies of Questionnaire not collected	32	22.54%
Copies of Incomplete Questionnaire	8	7.27%
Copies of Questionnaire in good condition	102	92.73%

The table 4.1 revealed that 142 (100%) copies of questionnaire were issued, 110 (77.46 %) collected, 32 (22.54%) not returned, 8 (7.27%) incomplete and 102 (92.73%) copies were in good condition

Table 4.2 Hypotheses 1-3: The correlation relationship amongst Integration Capability and Competitive Advantage (price, differentiation and quality advantage).

			INTEGRATION_CAPABILITY	QUALITY_ADVANTAGE	DIFFERENTIATION_ADVANTAGE	PRICE_ADVANTAGE
Spearman's rho	INTEGRATION_CAPABILITY	Correlation Coefficient	1.000	.617**	.247*	.230*
		Sig. (2-tailed)	.	.000	.030	.045
		N	102	102	102	102
	QUALITY_ADVANTAGE	Correlation Coefficient	.617**	1.000	.384**	.198
		Sig. (2-tailed)	.000	.	.000	.080
		N	102	102	102	102
	DIFFERENTIATION_ADVANTAGE	Correlation Coefficient	.247*	.384**	1.000	.221
		Sig. (2-tailed)	.030	.000	.	.051
		N	102	102	102	102
	COST_ADVANTAGE	Correlation Coefficient	.230*	.198	.221	1.000
		Sig. (2-tailed)	.045	.080	.051	.
		N	102	102	102	102

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

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Survey Data, (2021)

The test for our first hypothesis shows that integration capability significantly relate with price advantage with a correlation coefficient (rho = 0.230 and a p-value = 0.045) which is slightly lower than alpha of 0.05. We also reject the stated null hypothesis.

$H0_2$ There is a significant relationship between integration capability and competitive advantage (differentiation advantage)

In testing for hypothesis two, we find a significant relationship existing between integration capability and differentiation advantage with a correlation coefficient (rho = 0.247 and a p-value = 0.030) which is also less than alpha of 0.05. The null hypothesis is rejected and the alternate accepted.

$H0_3$ There is a significant relationship between integration capability and competitive advantage quality advantage

The test for hypothesis three shows that integration capability significantly relates with quality advantage with a correlation coefficient (rho = 0.617 and a p-value = 0.000) which is less than alpha of 0.05. We also reject the stated null hypothesis.

There is significant relationship amongst integration capability, price, differentiation and quality advantage.

There are significance association amongst integration capability and competitive advantage (price, differentiation and quality advantage). The results correspond with the work of Hayes, (2002) and Schroeder *et al.,* (2002) who linked integration, product quality, delivery, reliability, process, legibility, differentiation and price leadership capabilities, respectively.

The results revealed that manufacturing price is the hallmark of any successful organization, and organization striving for survival will must ensure its price of producing goods and services as well as rendering of services is low, as this is one of the strategic mechanism for any organizational survival. Also, the quality of products/services is another major factor that make an organization survive or bankrupt. Therefore, it is expedient for strategic managers to ensure standard qualify of production or rendering of quality service. This will also give such organization will have control over other competitors. More specifically, it is necessary for firms in the Nigeria Global System for Mobile Telecommunication to sustain the high quality of their product at a reduced price so as to gain superiority over their competitors.

5.0 CONCLUSIONS AND RECOMMENDATION

This study established the relationship between integration capability and competitive advantage (price, differentiation and quality advantage) of firms in the Nigeria Global System for Mobile Telecommunication. Furthermore, the integration Capability of the top-level managers of the Global System for Mobile Telecommunication Firms in Nigeria is significantly associated to competitive advantage (price, differentiation and quality advantage).

Following the established conclusion, this therefore recommends the need for the top-level managers of mobile network operators to effectively transfer available knowledge into new resources, also, existing capabilities should be integrated into modern ones. Improve products/services in terms of trademarks, image and design in the Nigeria GSM telecommunication firms.

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