Macro Environmental Challenges and Competitive Survival in the Emerging Economies: The Role of Dynamic Managerial Capabilities in the Nigerian Banking Industry

Chinedu Ochie

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Abstract

Purpose: the aim of this study is to explore the extent of dynamic managerial capability (DMC) deployment and development by firms in the emerging economies.

Design/Methodology/approach

This study follows a critical realism philosophy, and qualitative research method involving semi-structured interviews with senior and middle-level managers in five banks within the Nigerian banking sector to generate data for the study. The interview data were triangulated with data from CEOs' letters to shareholders over a three year period, press releases, and relevant media reports to assess the extent and how managers deployed and further developed DMC. Data was analysed following a qualitative content analysis technique.

Findings

This study in identifying how economic-downturn, regulation, and competition intensity triggered DMC deployment and development in Nigeria, observed that ineffective cognition of resources related to crude-oil income stream, and government financial deposits in Nigeria banks acted as constraints to the extent of DMC deployment and further development. Attention diversity, after two critical events in the industry, enabled asset orchestration that led to firms' level innovations and capacity building. This study also contributes to a more nuanced understanding of the communication practices enabling DMC by identifying two concepts including buying-in and collegiate systems as processes relevant to better decisions making by managers in the emerging economy.

Originality/Value

The study represents an empirical attempt to highlight the significance of resource cognition and to further make a case for attention diversity (AD) in the current discussion on DMC research from the emerging economies context. An integrative model is provided to show how attention diversity enables DMC in the Nigerian banking industry, and also show that collegiate systems and buying-in are communication practices enabling DMC in Nigeria.

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Dedication

I dedicate the success of this work to you Almighty God, my all in all,

And

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We talked about this, little did we know you will not be here today. Bruised but not broken. By God’s election and grace, we have continued to fight and will continue to support those matters you cared most about. Rest in peace the bosom of The Lord who has not left us without a witness. To God be all glory.

Declaration

I declare that the work contained in this thesis has not been submitted for any other award and that it is all my own work. I also confirm that this work fully acknowledge opinions, ideas, contributions from the work of others.

Any ethical clearance for the research presented in this thesis has been sought and approved. Approval has been sought and granted by the Newcastle Business School Ethics Committee on 11 March 2015.

Name: Chinedu Ochie

Signature:………………………………..

Date:…………………………………….

Chapter One

Introduction

"If developing countries focus on investment for technical efficiency without consideration of market needs and the building of dynamic managerial competences, the d-ineffectiveness of local firms will grow worse and national economic growth will be hamstrung" (Teece, 2017:716).

1.1 Rationale for this Study

The age-long question being dealt with in the strategic management field has been why/how some organisations survive and further achieve sustainable competitive advantage (SCA) when others do not (Helfat & Peteraf, 2009; Salvato & Vasollo, 2018; Teece, 2014). Nowadays, the relevance of this question seems amplified due to the increasing frequency of major environmental setbacks, changes, uncertainties, and complexities (Fainshmidt, Nair & Mallon, 2017). Although this trend can be observed globally, there is now increasing interest in firms in emerging economies. Business management by firms in emerging economies epitomise more complexities due to weaker institutions, inadequate infrastructure, and political instabilities compared to their developed counterparts (Makino, Isobe & Chan, 2004; Maitland & Sammartino, 2015). And indeed, these conditions place heavier demand on firms in emerging economies and their managers to go beyond investment for technical efficiency (Teece, 2017) to being more effective in decision making and strategic actions enabling successful outcomes (Maitland & Sammartino, 2015; Fainshmidt et al 2017). Yet, while desirable, 'the road to this success is not easy' (Pandit, Joshi, Sahay, & Gupta, 2018:328). The skills for effective decisions making and firms' survival under such environments are far from common, and thus an essential mission in contemporary research (Fainshmidt et al 2017; Maitland & Sammartino, 2015; Teece, 2017; Vergne, & Depeyre, 2016).

In recent years, strategic management scholars have conceptualised that dynamic managerial capabilities (DMC) are crucial in explaining why/how firms not only survive but also maintain advantage over rivals under such complex business environment (Adner & Helfat, 2003; Ambrosini & Altintas, 2019; Martin & Bachrach, 2018; Sirmon & Hitt, 2009; Teece, 2017). DMC refers to "the managerial capacity to purposefully create, extend and modify the resource base of an organisation" (Helfat, Finkelstein, Mitchell, Peteraf, Singh, Teece & Winter, 2007:24). The DMC idea is also expounded in terms of asset orchestration by suggesting that there is a relationship between decision making involving search/detection of opportunities and threats, resource base improvement, and firm performance under complex and turbulent environmental conditions (Helfat & Martin, 2015; Helfat et al, 2007; Schriber & Lowstedt, 2018, Sirmon & Hitt, 2009). Scholars believe that not all managers have DMC (Helfat & Martin, 2015:1285) but firms whose managers have DMC are likely to influence managerially directed assets orchestration that may enable their firm to continuously survive and even prosper under turbulent environment and times (Sirmon et al, 2009; Teece, 2017).

In other words, under the increasing frequency of major environmental setbacks, changes, uncertainties, and complexities nowadays, firms and their managers must deploy and further develop the DMC required to continuously facilitate resource base advantage in order to maintain competitive survival (Fainshmidt, Nair & Mallon, 2017; Martin & Bachrach, 2018; Sirmon & Hitt, 2009; Teece, 2017). However, despite the advances in research so far, knowledge about the DMC in practice, and the critical challenges that may affect managers' DMC has not been fully explored, and its empirical validation remains limited (Ambrosini & Altintas, 2019; Beck & Wiersema, 2013; Correa, Bueno, Kato, & Silva, 2019; Helfat et al, 2007; Helfat & Peteraf, 2015; Helfat & Martin, 2015; Huy & Zott, 2019).

The DMC perspective builds on the broader concept of dynamic capabilities (DCs) defined as "the capacity of an organisation to purposefully create, extend or modify its resource base" (Helfat, et al, 2007:4). DCs in practice appears in form innovation by firms (Wang & Ahmed 2007) and organisational routines by which firms achieve new resources configurations as markets emerge, collide, split, evolve and die (Eisenhardt & Martin, 2000). However, scholars have also stressed that the DCV in that sense is underdeveloped because it offers less clarity about the role of managers, and unclear about the micro-foundations of how they are deployed, or the sources of their dynamism (Adner & Helfat, 2003; Ambrosini, Bowman & Collier, 2009; Helfat et al, 2007; Salvato & Vasollo, 2018; Teece, 2007; 2012). Despite these shortcomings, or partly because of that, the DCV has continued to attract significant interests. Accordingly, scholars see the DCV as the new touchstone concept (Arend & Bromiley, 2009); one of the most vibrant (Vogel & Güttel, 2013), influential, and promising strategy perspectives in contemporary management scholarship (MacLean, MacIntosh, & Seidl, 2015), because they may offer a route to competitive advantage Schilke, Hu & Helfat, 2018).

The DMC is considered as one example of DC (Ambrosini & Altintas, 2019), or a subfield in the DCV (Teece, 2018). Adner & Helfat (2003) introduced the concept of DMC to emphasise that the effective implementation of DCs depends on managers either individually, or as a team, especially those with the strategic decision-making responsibility, and even middle managers too (Martin, 2011a). DMC influences both the internal attributes of their firm and their external environment (Harris & Helfat, 2013). Externally, managers can use their DMCs to search for, or sense opportunities/threats, and respond accordingly (Helfat et al, 2007; Teece, 2007; Helfat & Peteraf, 2015). Internally, managers can use their individual capabilities for decision making to influence the development and deployment of their organisational-level DCs, or new resource base transformations that are needed for staying ahead (Harris & Helfat, 2013; Teece, 2018).

In considering the pivotal role of managers in effectuating such needful asset orchestration (Teece, 2007; Helfat et al, 2007), the DMC theorists argument entails that DCs can best be analysed at managerial level because "an answer to the question of what makes a firm different requires an answer to the question of what makes managers different" (Adner & Helfat, 2003: 1012). The DMC is only distinct from the broader DCs by being concerned particularly about 'managerial impact on strategic change' (Martin & Bachrach, 2018: 28) on resource base, and managerial behaviours that are needed to consistently create and support resource-based advantage (Helfat & Martin, 2015; Badrinarayanan, Ramachandran & Madhavaram, 2019; Huy & Zott, 2019). Nonetheless, some scholars have also argued that what makes a firm different may not only depend on individual managers' capabilities and behaviours but also on having the supportive organisational mechanisms and motivation to nurture such managerial behaviour and capabilities (Helfat & Peteraf, 2015). Felin, Foss, Heimeriks & Madsen (2012:1357) describe this as "the role of interaction effects". This means that more studies exploring both the DMC and how organisational context may affect DMC are needed (Helfat & Peteraf, 2015).

In the literature, a further theorisation is that DMC rests on three key drivers including managerial human capital, social capital, and cognition (Adner & Helfat, 2003). It is believed that these three drivers together shape the dominant logic used by managers and their organisation in strategic decision-making (Kor & Mesko, 2013). In this regards, scholars have been focusing particularly on the managerial cognition aspect as perhaps the most important lens for understanding the key role of managers under conditions of environmental volatility requiring strategic intelligence, astute decision making and investments choices (Eggers & Kaplan, 2009; Kunc & Morecroft, 2010; Levine, Bernard & Nagel, 2017; Martin & Bachrach, 2018). Yet, despite the contributions so far, scholars maintain that cognition is the least understood aspect of DMC (Eggers & Kaplan, 2013; Helfat & Martin, 2015). One reason adduced is that cognition is often difficult to identify unless it is used (Helfat & Peteraf, 2015).

In response to this lacuna, Helfat & Peteraf (2015) have more recently developed the concept of managerial cognitive capability, defined as the capacity of individual managers to perform one or more mental activities that comprise cognition. Cognition consists of mental models, belief systems (or knowledge structure) that managers use to make decisions (Adner & Helfat, 2003; Tai, Wang & Yeh, 2019). In their work, Helfat & Peteraf (2015) identified that specific types of cognitive capabilities including, perception, attention, and problem-solving underpins DMC for strategic changes that can be related to competitive advantage. They show that such cognitive capabilities can influence the way managers may anticipate, interpret and respond with relevant decisions to changes in the business environment. However, Helfat & Martin (2015: 1305) also laments that knowledge about the conditions under which managerial cognition may "have a positive, negative or no impact on strategic change" and holistic study of DMC that can enable firms to survive and succeed over time, in different contexts remains inadequate and largely theoretical (Eggers & Kaplan, 2013; Jung, Foege & Nuesch, 2018).

This study considers that the above observations renew Ambrosini et al, (2009: S5) earlier suggestion that "to fully understand dynamic capabilities we need to consider what they (i.e. managers) perceive, act upon in terms of their environment and resources". In their extensive review paper, Ambrosini & Bowman (2009) also suggests that by investigating "the details of how dynamic capabilities are deployed we should be able to understand better the dynamic capabilities in practice, whether and how they might differ across firms, which could form the basis for developing managerial prescriptions" (p.46). So, although scholars have examined organisational level DCs, more insights are needed about the managerial processes connected with such DCs, and challenges that may affect these processes in underexplored contexts (Bititci et al, 2011; Helfat & Peteraf, 2015). These cues and other findings from literature led to the following consideration, question and objectives addressed by this research.

1.2 Key consideration and gaps addressed by this research

The interrelationships between managers, DCs and competitive advantage, and critical challenges that may affect managers' efficacy in those roles has not been fully explored (Ambrosini & Altintas, 2019; Beck & Wiersema, 2013; Helfat et al, 2007; Helfat & Peteraf, 2015; Helfat & Martin, 2015; Huy & Zott, 2019; Martin & Bachrach, 2018; Tripsas &

Gavetti, 2000). As earlier stated, the empirical evidence of DMC remains scant (Helfat & Martin, 2015; Correa et al, 2019). Besides, only "few studies have examined the relationship between DMC and firm performance under extremely unfavourable macro-environmental conditions" (Fainshmidt et al, 2017:1089), especially, the emerging economies (Maitland & Sammartino, 2015; Pandit et al, 2018; Teece, 2017). There remains a paucity of research about exactly how managers facilitate the asset orchestration enabling their organisation to navigate through such complex business environments to not only maintain competitive survival but also advantage over time (Beck & Wiersema, 2013; Day & Schoemaker, 2016; Helfat et al, 2007; Helfat & Martin, 2015; Jung et al, 2019; Schriber & Lowstedt, 2018).

Taken separately, therefore, there is a need for more research about the different environmental factors that enable or inhibit DMC (Ambrosini & Bowman, 2009). That is organisational contexts (Helfat & Peteraf, 2015) and external environmental factors that can affect the cognition and capabilities of managers (Tripsas & Gavetti, 2000). There remains a gap in research about "how an unexpected critical event or a series of events can cause shifts in belief and knowledge systems of executives" (Kor & Mesko, 2013:242). Under such conditions, little is known about how managers make better strategic decisions as opposed simply to, different decisions (Beck & Wiersema (2013: 417). "Whether and how executive act in ways that purposefully create, extend, and modify its resource base in a value-creating manner" in underexplored contexts remains an open question (Helfat et al, 2007:46). In the context of DMC too, there have been recent calls for more studies to investigate how capabilities and cognition can be further identified (Danneels, 2011; Eggers & Kaplan, 2013).

In sum, the need to explore the above highlighted missing links in research formed the basis of this empirical study. This research aims to contribute to understanding the nature and processes of DMC deployment and development from an emerging economy context, particularly, Nigeria. The country represents an interesting context to explore DMC for many reasons. "Nigeria is the most populous black-country in the world and is influential both within sub-Sahara Africa and in the global economy – not least in the proven capability of her internal events to destabilize the global oil market" (Amaeshi, Adi, Ogbechie, & Amao 2006:1). Nonetheless, environmental volatility, uncertainties and complexities (Shoemaker, Heaton & Teece, 2018) as typically exaggerated in Nigerian are not unconnected with concerns that lie at the heart of contemporary debate in dynamic capabilities research (e.g. Jonathan, Seun, & James, 2016; Teece, 2017).

1.3. Research Question

The overarching question of the research is: to what extent are dynamic managerial capabilities deployed and developed in Nigeria?

1.4. Research Objectives

Consistent with the above stated question of the research, the objectives of the study are captured in table 1.1 below: Table1.1Research objectives

No	Research Objectives	Related literature
1	To determine the key environmental challenges managers face that are relevant to the deployment of dynamic managerial capabilities in Nigeria	Ambrosini & Bowman (2009), Helfat & Peteraf (2015); Fainshmidt et al, 2017; Lee & Kelly (2008); Salvato (2003), Sharma (2000) Tripsas & Gavetti (2000)
2	To examine how dynamic managerial capabilities influence competitive survival in Nigeria	Adner & Helfat (2003), Helfat et al (2007), Ambrosini & Bowman (2009), Ambrosini et al (2009), Salvato 2003; Sirmon & Hitt, (2009); Kor & Mesko, (2013) Helfat & Martin (2015) Teece (2017)
3	To determine how managers find balance between organisational routine and better decision enabling competitiveness in Nigeria	Koprax & Konlenchner (2014), Tippman et al (2014), Teece (2012), Beck & Wiersema (2013)

1.5 Addressing the research gaps/objectives

To address the above stated research gaps and objectives, this study builds on Helfat et al (2007) and Helfat & Peteraf (2015) understanding of DMC and cognitive capabilities to explore the extent in which managers deployed and further developed DMC in the Nigerian banking industry in navigating through a recent period of unprecedented critical events, and challenges for firms in Nigeria. Using a qualitative research method and a case study of five selected banks within the Nigerian banking industry, the study through semi-structured interviews explored perspectives from both senior and middle-level managers. Incorporating those two levels of management was necessary to mitigate the biases often related to relying on perspective from one management level alone (Martin, 2011; Taylor & Helfat, 2009). The study also triangulated the interview data with other important data sources including banks' annual report and CEOs' letters to shareholders therein, press release statements, and media interviews with corporate-level managers of the selected banks, and information from their websites. Triangulation of data as employed allowed the study to amass and draw from a vast, rich and contextual dataset to address the question and objectives of this research.

Relying on the dataset amassed by the study, analysis firstly explored managers' perspectives about the major environmental challenges they have faced in the recent period, from 2014 especially. Thereafter, it focused on whether and how managers influenced asset orchestration in response to the challenges and critical events they experienced in order to maintain competitive survival/advantage. Analysis also focused particularly on the decision-making processes and weighing-up the cognitive frame related to the strategic responses highlighted. Findings show that managers in the Nigerian banking industry acted/responded to the environmental challenges and unprecedented events they experienced, with DMCs directed asset orchestration in ways most plausibly underpinned by attention diversity.

1.6. Contribution

This study offers many contributions. Firstly, the contribution of this study derives from the context explored. It contributes to the literature by extending the understanding of the DMC and DC perspectives through empirical evidence from the emerging economies, Nigeria in particular. Secondly, the study contributes to the knowledge of external and internal environmental factors with critical implications for DMC (Ambrosini & Bowman, 2009; Helfat & Peteraf, 2015; Tripsas & Gavetti, 2000) in Nigeria. In particular, the study show how unexpected economic downturn in Nigeria following falls in crude oil prices from 2014, the introduction of TSA policy in Nigeria in 2015, stiffened competition and their associated tensions constituted key environmental challenges faced by managers in ways that highlight critical implication for DMC. Until then, thirdly, this study uncovered that managers' ineffective cognition of their resource base in relation to crude-oil revenue, and government deposits, which served as *de facto* financial resource base acted as constraints to DMCs deployment and development. This study thus responds to the calls for more research addressing the importance of resource cognition in the context omitted in prior theorisation e.g. Danneels (2011) and how context factors internal to an organisation may place limits on DMCs (Helfat & Peteraf, 2015).

Fourthly, the study established that following those two critical events and the associated tension for firms in the industry, attention diversity plausibly enabled asset orchestration related to the competitive survival and performance differentials observed among Nigerian banks. This allows this study to identify that attention diversity as opposed to attention concentration as an important driver of DMC. Finally, the study also contributes to a more understanding of nuances of communication practices related to DMC and attention diversity by explaining how managers used collegiate system and buying-in as vital processes to better decisions making and DMC development by managers in the Nigeria banking industry.

A critical evaluation of the interrelationships represented in the above findings led to the development of an integrative framework (figure 11.2 in the concluding chapter of this thesis). The basic assumption of the framework is that ineffective cognition of resources base had a significant moderating effect on the extent of DMC implementation by managers in the Nigerian banking industry. Attention diversity, however, enabled managers to address the incorrect cognition of their resource base and to facilitate congruent strategic response after the recent critical events, and environmental challenges they experienced. The framework also incorporates evidence suggesting that collegiate systems and buying-in contributed to attention diversity and DMC. The thesis also discussed the practical implication of these findings for managers and possible areas for future development. It is believed that the findings by this study contributes new insights to the research aiming to understand the role of DMC deployment and development in underexplored contexts like Nigeria and factors that may impede their efficacy. The structure of this thesis is organised as follows:

1.7. Summary and Structure of this thesis

Table1. 2 Summary and Structure of the thesis

S/NO	Chapter	Summary of Content
1	Introduction	This chapter presents the introduction of the thesis
2	Industry Organisation and The Resource-based View	Review of literature on the Industrial Organisation (IO) and The Resources Based View (RBV)
3	Dynamic Capabilities View (DCV) and DMC	This chapter presents a literature review on Dynamic Capabilities View and Dynamic Managerial Capability
4	Research Methodology	This chapter provides a detailed explanation of choices and justification for the philosophical lens and research methodologies adopted for this research
5	The Case of Abia	This chapter presents empirical evidence from Abia case
6	The Case of Bayelsa	This chapter presents empirical evidence from Bayelsa
7	The Case of Cross River	This chapter presents empirical evidence from Cross River (CRB) case
8	The Case of Delta	This chapter presents empirical evidence from Delta
9	The Case of Ebonyi	This chapter presents empirical evidence from Ebonyi
10	Cross-Case Analysis and Synthesis of findings	This chapter documents cross-case evidence and analysis of the five cases explored by the study
11	Discussion, Contributions, Limitations, Conclusion	This chapter draws this thesis together
❖	References	List of references following APA 6th style

Chapter Two

Industry Organisation and Resource Base View (RBV)

"The pattern of the thing precedes the thing" (Vladimir Nabokov, cited in Dunleavy, 2003:43)

2.1 Introduction

The purpose of this chapter is to develop the literature review of this study in a coherent and robust manner by discussing first, the concepts of Industrial Organisation economics (IO) and the Resource-Based View (RBV) – two of the key concepts built on by the dynamic capabilities and the dynamic managerial capabilities views. Good literature review often shows the evolution of the focal constructs, extant knowledge, work-in-progress in the field and contexts from which further investigations might proceed (Van de Ven & Poole, 1995; Trafford & Leshem, 2008). Dynamic capabilities perspective is still in its developing stage and one still in need of better theoretical precision and empirical validation (Helfat & Peteraf, 2009; Ambrosini & Bowman, 2009; Barreto, 2010). By discussing first, the foundational thoughts and developments that led to the DCV and DMC, this study also aims to avoid 'risk of obscuring the conceptual heritage and development of isolated research' (Bowman & Collier, 2006:193). Figure 2.1 below illustrates the literature review processes and coverage incorporated by this study as necessary to ensure clarity and comprehensiveness.

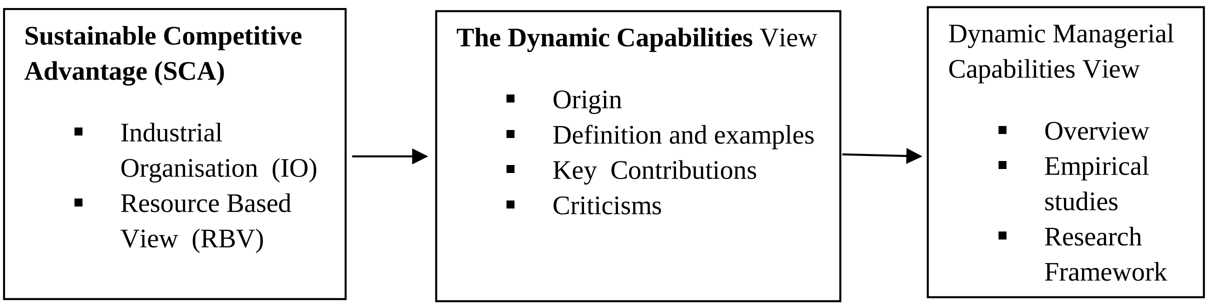


Figure 1: The Literature Review Process

The above figure shows the set-up boundaries of the review of relevant literature for the study involves three key antecedent concepts relevant to the DMC. It highlights that, first, the review includes the concept of SCA – the key question of strategic management and subsequently, a reflection on the IO and RBV, - two most influential constructs known to have attempted to address the question. It also shows that a departure from the IO and RBV led to the DCV and a shift from the baseline DCV to a managerial perspective of the construct in terms of DMC – the theoretical framework built on by this research.

2.2 Strategy Research and Sustainable Competitive Advantage (SCA)

As briefly mentioned in the introduction chapter, how to achieve and sustain competitive advantage (SCA) is the 'holy grail' of strategy research (Helfat & Peteraf, 2009) and in general, the central concern and conversations in the strategic management field (Schilke et al, 2018). According to Peteraf & Barney (2003), a firm has a competitive advantage when it enjoys better success than its competitors do. Firms can enjoy competitive advantage temporarily, and may further enjoy SCA (Huang, Dyerson, Wu & Harindranath, 2015). SCA is about having better success over time than other rivals in the industry (Peteraf & Barney, 2003). D'Aveni, Dagnino & Smith, (2010) also consider SCA as involving having a series of temporary advantages over a prolonged period. In literature, several other terms including superior rents (Makadok, 2001), profits (Huang et al, 2015), growth (Penrose, 1959 in Kor & Mahoney, 2005) and survival (D'Aveni et al 2010) are also being used as proxies for competitive advantage as well. Despite these different terms, an understanding is that each could also serve as a measure of an advantage by firms, and importantly, the primary focus of different firms depending on their position in what often looks like a performance continuum. However, although scholars generally accept that why and how firms may maintain SCA have been the primary concerns or questions of the strategy research, there have been diverse explanations to this age-long question (Schilke et al, 2018).

For example, Hoskisson et al (1999) used what they described as "swings of the pendulum" to chronicle an array of theoretical explanations of sources of SCA that have been offered in strategy literature. Not to 'reinvent the wheel' per se, by reviewing all the theoretical explanations in the literature thus far. However, discussion in this chapter reflects on two prominent concepts, in particular, the Industrial Organisation (IO) economics and the Resource-Based View (RBV), acknowledged by scholars as the key sustainable advantage models (D'Aveni et al, 2010; Levine et al, 2017). Adner & Zemsky (2006) observed that IO and RBV offers two strongly contrasting views of SCA. And notably, insights from, and debate between those concepts was what dominated strategy research especially in the 1980s and 1990s (Rumelt, Schendel, & Teece, 1991; D'Aveni et al, 2010) and until 1997 which heralded the introduction of DCV, and DMC perspectives investigated by this study.

According to Foss (1997b: 5), strategy researchers particularly need to reflect on ideas from the IO and the RBV. D'Aveni et al (2010:1383) adds that "there is a lot to learn from breaking away from two of the most dominant paradigms in the field of strategy (RBV and the industrial organisation economics perspectives)". Ambrosini & Bowman (2009) suggest that this very important for DC research - the broader construct build on by this research because of their profound influence on the construct. The next section addresses the IO idea.

2.3 The Industrial Organisation Economics (IO) School of Thought

The Industrial Organisation (IO) economics school of thought is based on what is popularly referred in literature as the 'structure-conduct-performance (S-C-P)' paradigm, often traced back by many scholars to the ideas of Mason (1939) and Bain (1956) (Rumelt et al, 1991; Teece, 2007; Pisano, 2015). The SCP paradigm offers a causal link between a firm's economic conduct (strategy) and the market environment. According to Farjoun (2002:564), in the SCP paradigm, "the main causality flows from industry structural variables to firm conduct and then to firm and industry performance". Porter (1980) progressed the SCP thinking in the strategic management field by using the paradigm to advise about strategies with which firms can achieve a competitive advantage. As mentioned earlier, Porter's concept went on to become one of the dominant strategy paradigms in the 1980s especially (Rumelt et al, 1991; Farjoun, 2002).

Porter's article in 1979 later published (1980) in his book titled "Competitive Strategy: techniques for analysing industries and competitors" argued that competitive advantage of an organisation is an industry-related phenomenon, first, because it is the arena in which competition happens. Secondly, to understand how to play and win in an industry, it is critical to see the industry beyond the firms' direct competitors/rivals. Looking at an industry as constituents of immediate/direct rivals only is too narrow and self-defeating (Porter, 2008). Thirdly, he identified five forces that shapes/erode the industry and profitability which firms need to be aware of and to guide their conduct. The five competitive forces include: (1) threat of new entry (2) threat of substitute products/services (3) the bargaining power of buyers, (4) the bargaining power of suppliers, and (5) the extent of rivalry among incumbent competitors (Porter, 1980:4; 1991; 2008). These five competitive forces are what scholars widely consider as the central message of Porter's thesis.

Therefore, it means that "awareness of the five forces can help a company to understand the structure of its industry and stake out a position that is more profitable and less vulnerable to attack" (Porter 2008:25). In other words, if 'holding the industry structure constant', firms can achieve and sustain competitive advantage by taking a protective position against the industry competitive forces (Porter, 1991). In particular, Porter suggests that in applying the framework to diagnose the industry structure, a firm can aim to select and play in mainly in an industry with high profits potentials due to high entry barrier, weak buyers and suppliers, few threats of alternative products/services and limited rivalry (D'Aveni et al, 2010). Also, if the awareness is holistic, a firm can select and enact strategies to outwit rivals and fully exploit the industry condition to its advantage. In sum, it means that the five forces framework is a framework for diagnosing industry structure (Porter, 1991). By understanding of the structure of an industry, a firm can manipulate the rule of competition through relevant strategic choices, and then hope to attain competitive advantage –the central interest of strategy (Porter, 2008; Teece, 2007).

In what can be seen as an addendum, Porter (1985) through his work titled 'Competitive Advantage: Creating and Sustaining Superior Performance' also elaborated on his competitive forces thesis by identifying three generic competitive strategies which a firm can use to manipulate the industry to its advantage. This addendum took into consideration that staking out an attractive position as argued in his five forces framework is often an outcome, not a cause (Porter, 1991). The generic strategies include cost leadership, differentiation, or focus. Cost leadership strategy involves identifying and exploiting all relevant sources of low-cost advantage to a firm. Differentiation strategy involves trying to be unique in an industry by offering some form of unique and valued products/services. The focus strategy is about selecting a specific market segment and focus on (tailoring) either, cost leadership or differentiation strategies to serve that segment exclusively (Porter, 1985). In short, this concept suggests that SCA derives either from offering lower-cost products/services than rivals or by differentiation in the firm's products/services and commanding premium price for them, or by implementing both (Porter, 1991). The 'both' idea is however not without a caveat of the tendency of being 'stuck-in-the-middle' (Porter, 1985).

In this regard, the author also made the point that each of these generic strategies has the potentials to deliver competitive advantage through effective configuration and coordination of its value chain activities (Porter, 1985; Stonehouse & Snowdon, 2007). The term 'value chain' was used to refer to some primary and support activities through which a firm creates value for its customers and to enable managers to identify resource configurations, which are necessary (Porter, 1985). Some scholars see this later proposition as a useful internal environment focused construct and a review of his original 'five forces model' partly in acknowledgment of its limitations, as charged by the RBV, discussed later.

In sum, it is evident in literature that the 'five competitive forces' model and three 'generic competitive strategies' hitherto, were widely accepted as salient and logically coherent contributions (Hansen & Wernerfelt, 1989:400). Pisano (2015) for instance considers that the five forces framework is consistent and useful to the extent that it helps to understand for instance why airlines or banking firms (on average) may be less successful than pharmaceutical companies. Less clear however is, to what extent this perspective may be relevant under different country-contexts, for instance in developed or less-developed country contexts, given that "country effects are as strong as industry effects" (Makino et al, 2004:1028). Therefore, despite claims about its logical consistency and empirical utility (Pisano, 2015; Porter, 1991) so to speak, the 'five competitive forces framework' (Porter, 1980) also faced criticisms that led to a pendulum swing (Hoskisson et al, 1999) away from to the idea. The following section looks at some key criticisms levelled against the IO/SCP approach and the rationale for subsequent developments that have since emerged in the field.

2.3.1 Criticisms and limitations of the IO/SCP school of thought

One of the most highlighted critical views against the five forces framework in scholarship was that the framework is limited because it focused on the industry as the main unit of analysis rather than the organizations (Wernerfelt, 1984; Rumelt et al, 1991; Stonehouse & Snowdon, 2007). According to Rumelt et al (1991), from the standpoint that an industry often constitutes a group of rival firms with distinct characteristics, alternate consideration entails that firm-specific factors are more relevant to the profitability of business than industry generic factors. Firms within the same industry often show different performance results, suggesting that the five competitive forces may not affect all firms in an industry in the same way (Pisano, 2015). In other words, in reality, the momentum of the industry forces is likely to be relative and can vary from business to business based on many other strategic factors which may include: firm size, resources like brand or goodwill (Barney, 1986a, 1991; Stonehouse & Snowdon, 2007).

Scholars also argue that 'five forces framework' is static in nature and ignores that business environments are increasingly dynamic and competitive in many aspects e.g. "the role of complementarities, path dependencies, and supporting institutions" (Stonehouse & Snowdon, 2007; Teece, 2007:1325) and collaborative relationships (Dyer & Singh, 1998). This means for example as Dyer & Singh (1998) averred that the framework failed to appreciate the fact that crucial resources for an organisation success can be created by partnerships in forms of strategic alliances or even merger with a supposed rival. In other words, an organisation can achieve competitive advantage by being part of an important network of relationships that may involve the suppliers, buyers, potential entrant or the existing rivals emphasised by Porter in his competitive forces framework (Porter, 2008; Dyer & Singh, 1998).

From the dynamic capabilities standpoint, Teece (2007:1325) summarises as follows: “the five forces framework is compromised because it has insufficient appreciation for the importance and nature of innovation and other factors that change the rules of the game. It is limited because it has less appreciation “for factors inside the business enterprise that constrain choices” (c) for factors that impact imitation and appropriability issues, (d) for the role of supporting institutions, complementary assets, cospecialisation, and network externalities, or (e) the blurred nature of industry boundaries” Teece (2007:1325).

In short, perhaps against the consideration of the framework as logically coherent and useful contribution (Hansen & Wernerfelt, 1989:400) in some aspects, according to Teece (2007:1325) “if the network effects, path dependencies, and co-evolution of technologies and institutions are significant, the five forces framework is of limited utility”. In other words, the mere assessment of the industry structure does not ensure SCA (Teece, 2007). In Porter’s (1980) five forces framework, the treatment of the inner configuration of an organisation as passive is self-defeating. With the role of managers offered little consideration, it suggests that a more precise development that would facilitate a more holistic consideration of both inner and external environment is needed to guide this work. The RBV proponents in stressing the limitations of the competitive forces idea also attempted to address the concerns.

2.4 The Resource-Based View (RBV) of Strategy and Competitive Advantage

The resource-based view suggests that the basis of strategy for competitive advantage depends on the resource base an organisation controls and those they have access to. Wenerfelt (1995:172) in a reflective article titled “the resource-based view of the firm: ten years after” wrote, “the streams of research known under the label ‘resources-based view’ are the work of many people”. I put a stone on the ground and left it. When I looked back, others had put stones on top of it and next to it, building part of a wall”. This comment meant that his 1984 work was the article that conceived the resource-based view framework. Scholars appear to agree with Wenerfelt’s claim, as this review did not locate any counter-claims.

In his original paper titled “A Resource-based View of the Firm” Wernerfelt (1984) argued that “For the firm, resources and products are two sides of the same coin. …products require many resources, and most resources are both input and instrumental in the production of most products" (p.171). From this perspective, one can observe that the author highlighted both the shortcoming of the industry-based thoughts of competitive advantage discussed earlier and then the key message of his own work. Wenerfelt thesis entails that firms' long-run profitability is a function of their resources and capabilities profile rather than the one-sided IO perspective, which considers that as a set of established product or market/industry positions (Wernerfelt, 1984; Lawson & Samson, 2001). Wenerfelt in his reflective article also paid special tribute to Penrose (1959).

Many other scholars, for example, Barney (1991), Kor & Mahoney, (2005) and Ambrosini & Bowman (2009) all suggest that historically Penrose (1959) was seminal and arguably the more ground-breaking work on the resources-based idea. Against the backdrop of the significance of the RBV on the dynamic capabilities view (the broad theoretical hub of this research), scholars have also argued, "any review of dynamic capabilities should address the contribution of Penrose's ground-breaking ideas" (Ambrosini & Bowman, 2009:31). However, from the assessment of literature by study, it was observed that discussions in many DCs research tend to refer to Penrose's contributions in a cursory manner and does not deeply address her contributions in the light of her work's in-road to the DCV.

In line with Ambrosini & Bowman (2009), consideration in this research implies that addressing that seminal contribution of Penrose is necessary for at least three other reasons. Firstly, despite that the DCV was offered as an extension of RBV (Teece et al 1997), part of the charge against the concept as the next chapter will show, for example as Arend & Bromiley (2009) argued was that the DC view does not have a 'theoretical root'. Secondly, the interpretation of Penrose's propositions as related to the resources-based and capability views is also a subject of debate, at least between (Kor & Mahoney, 2004; Rugman & Verbeke, 2002; 2004). Thirdly, this study agrees with Lockett & Wild (2014) who reminds us of the need to bring history back into research.

2.4.1 The Penrose (1959) Contributions

The question can simply be, what actually are the contributions of Edith Penrose (1959) as often referred, and what are their relevance to the RBV and DCV. The researcher has not reviewed Penrose's (1959) textbook particularly but has drawn useful insights from her intellectual contributions to what is now the RBV through engagement with other literature accessed for this research. Scholars have described her contributions as 'nontrivial and fundamentally insightful' (Kor & Mahoney, 2004; Ambrosini & Bowman, 2009). Nair, Trendowski, & Judge (2008) also described Penrose (1959) as ‘classic’ and a ‘seminal text for the resource-based view of the firm’. Hoskisson, Hitt, & Wan, (1999), Kor & Mahoney (2004; 2005), and Pitelis & Teece (2009) all agree that Penrose's contributions have been fruitful in on-going developments in and even beyond the strategic management field. The question is what exactly are those contributions that make Penrose (1959) always a key reference point?

To begin to address the above question, this study considered the stated question of Penrose's (1959) research as a good starting point. Nair et al (2008) restates Penrose (1959) research question that “I am not asking what determines whether a particular firm can grow, but rather the very different question: assuming that some firms can grow, what principles will then govern their growth, and how fast and how long can they grow?”. Albeit differentials in terminology, it is understandable that the question is consistent with the fundamental question of strategic management as earlier mention in section 2.2. According to Nair et al (2008), this research question was in part the reason why Penrose’s ideas remain seminal in the strategy field.

Penrose suggests that the firm is “more than an administrative unit; it is a collection of productive resources, the utilisation of which between uses and overtime is determined by administrative decision” (Penrose 1959 in Augier & Teece, 2007:176; Nair et al, 2008). Augier & Teece (2007) discussed that this is one of Penrose’s key legacies today. Therefore, in addition to the firm as identified, one can also acknowledge that in relation to the DMC perspective followed by research, Penrose earlier informed about the key role of resources decision making and managers for any firm. Another striking comment of Penrose notably seen to have influenced the RBV was that “demand is no more important, and is perhaps less important, than the existing resources of the firm” (Penrose, 1959:84 in Nair et al, 2008). This view is notably consistent with Wernerfelt (1984) position about “two sides of a coin” in pointing out that internal factors are more related to competitive advantage that external factors may be. An argument that is now undergoing refinements through the micro-level perspective of DC, and DMC as this review expounds further in the succeeding chapters.

Penrose (1959) also believes that “it is never resources themselves that are the ‘inputs’ in the production process, but only the services that the resources can render. …exactly the same resources when used for different purposes or in a different way and in combination with different types or amounts of other resources provide different service or set of services”

(Nair et al, 2008:1026). In other words, heterogeneity among organisations in an industry can always occur because even when organisations possess a similar set of resources they are likely to configure them in distinct ways to deliver different services, which may lead to different performance outcomes (Hoskisson et al, 1999:438). This assertion continues to have greater relevance for the DMC perspective and asset orchestration (Helfat et al, 2007) as the succeeding chapters would show.

In particular, the book insightfully highlights the role of resources and capabilities in a firm's diversification into new products and/or markets. The author suggests that the growth of a firm is a dynamic process catalysed by the organisation's management and their interaction with the resources under their control (Penrose, 1959 in Nair et al, 2008). There are two key facts linkable to the theoretical basis of this research derived from that assumption. One, it is the resources under a particular firm's control that would determine any form diversification, and not necessarily about the demand in the market. This is reflective in what Teece et al (1997) later termed the asset position' of a firm. Secondly, for any diversification that may lead to firm growth, managerial capacities are the key; a perspective intrinsically ingrained in Adner & Helfat's (2003) argument about the importance of a managerial analysis of DC.

In light of the above viewpoints, as Pitelis (2002) observed, one central fact about Penrose's contribution has been the breakaway she made from the traditional economic schools of thought on growth/competitive advantage to redirecting focus on idiosyncrasies among firms. The intellectual link between Penrose ideas and the RBV (Mahoney, 1995; Hoskisson et al, 1999) and dynamic capabilities view (Teece et al, 1997; Augier & Teece, 2009; Ambrosini & Bowman, 2009; Pisano, 2015) resonates mainly in DMC (Helfat & Peteraf, 2015). The centrality of the role of managers in terms firm's both resource use or 'fungibility' (Danneels, 2011:21) and related decisions making is particularly fruitful in the DMC. However, there were also pockets of controversy about Penrose's (1959) contributions as related to the RBV and capabilities perspectives uncovered by this research. A discussion of the debates is next.

2.4.2 Critical perspectives about Penrose (1959) Contributions

Rugman & Verbeke (2002; 2004) for example questions the interpretation of Penrose's (1959) ideas as often linked to the RBV; arguing that hypothetically, her research focused only on explaining the processes which may help to achieve firms' growth. In their view, Penrose did not intend to 'provide any strategy prescriptions for managers on how to create sustainable streams of rents' as most research always seems to imply (Rugman & Verbeke, 2004). In other words, building on Penrose ideas to make a direct link between resource base and competitive advantage as many scholars often do is misrepresentative, to say the least.

However, not many authors appear to share this view. Kor & Mahoney (2004) provides a direct response to Rugman & Verbeke's (2002) opinion about Penrose's contribution to RBV. The authors suggest that Rugman & Verbeke appears to underestimate the contribution of Penrose. And quite instructive too, it is noted that more recent contribution such as Pitelis (2007), Hodgkinson & Healy (2011) and Helfat & Peteraf (2015) all suggests that Penrose (1959) contributions to the RBV, DCV and DMC developments are non-trivial and thus merits acknowledgment. This research in line with the dominant views in research considers that it is hard to distance Penrose's (1959) ideas from the present day resources-capabilities perspective only because her views focused on 'firm growth' with no more than that intended as Rugman & Verbeke, (2004) argued. As earlier mentioned, if growth is analogous to competitive advantage, this study takes the view that "a mother can hardly be denied maternity even if the pregnancy was unintended" (Author). In other words, if 'the sources of growth of firms' was the focus but how organisations may achieve competitive advantage in relation to firms' resource-base was evidently addressed, it means it was addressed, important and should be acknowledged.

However, a more widely suggested limitation of Penrose's contribution was that what she meant by resources remained vague (Augier & Teece, 2007) or unclearly specified. Asides that, many scholars e.g. Fahy (2000) also observed that the resources-based thinking remained fragmented; arguably, why the equilibrium framework of (IO) dominated business strategy thinking until a formal RBV was developed (Grant, 1991:114). Having addressed the theoretical connection between the Penrose, (1959) "theory of the growth of firms" and the RBV and DCV as previous studies have acknowledged, the next section focuses more deeply on the modern RBV development/arguments. Table 2.1 below provides useful definitions.

2.5 Definitions and further RBV contributions

The RBV is a concept explaining that competitive advantage depends on the resource base available to a firm. As Wenerfelt (1995) noted in his reflective statement, many scholars like Rumelt (1984), Barney (1986 a, & b), Dierickx & Cool (1989) and Barney (1991), Amit & Schoemaker (1993), Peteraf (1993), Grant (1991; 1996) have all contributed insightfully to the RBV in terms of what, why, how, when and the nature of firms' resources can be related to long-run competitive advantage. Table 2.1 below provides definitions of key concepts in order to aid further discussion on the RBV in this chapter and dynamic [managerial] capabilities view in the succeeding chapter. It also clarifies the meaning of resource base being the keywords emphasised by the construct and its integral concepts including resources and capabilities.

Table 2.1 Definition of key terms

Terms	Definition
RBV	The RBV refers to "a model of firm performance that focuses on the exploitation of existing resources and capabilities controlled by a firm as sources of competitive advantage" (Barney & Hesterly, 2012:352).
Resources	Resource comprises "anything that can be thought of as the strength or weakness of a given firm" (Wernerfelt, 1984:172). They include the "stocks of available factors that are owned or controlled by the firm" (Amit & Schoemaker, 1993:35) and specifically, "the tangible and intangible assets that a firm controls which can be used to conceive and implement strategies" (Barney & Hesterly, 2012:352).
Capabilities	This refers to a firm's 'capacity to deploy resources, usually in combination, using organisational processes, to effect a desired end' (Amit & Schoemaker, 1993:35). They are the "subset of a firm's resources which enable the firm to take full advantage of the other resources" (Barney & Hesterly, 2012:347).
Resource base	"The resource base of an organisation includes tangible, intangible, and human assets (or resources) as well as capabilities which the organisation owns, control, or has access to on a preferential basis" (Helfat et al, 2007:4)

Rumelt (1984) examined the role of stochastic factors in determining firm performance and identified three 'isolating mechanism' namely, learning and development costs, property-rights to scarce resources, and casual ambiguity that enables heterogeneity and prevents the imitation of an organisation's resources and capabilities (Hoopes, Madsen, & Walker, 2003). A perspective later shared by Barney's (1991) by outlining more isolating mechanisms, why they can and under which conditions they might become sources of competitive advantage.

Barney's (1986a) made perhaps his initial contribution to the RBV by introducing what he termed 'strategic factor market' defined as "a market where resources necessary to implement a strategy are acquired" (p.1231). In the article, Barney focused his analyses on the cost of implementing product/market strategies, and the nature of the 'market for resources'

(Wernerfelt, 1995; Barney, 1986a). The article's core message entails that "from the point of view of firms seeking greater than normal economic performance …strategic choices should flow mainly from the analysis of its unique skills and capabilities rather than the analysis of its competitive environment" (Barney, 1986a:1231).

Notable in the review of Barney (1986a) was that wittingly or unwittingly did not make direct reference to Wenerfelt (1984) contribution. However, despite that, it was clear that his analysis significantly bears semblance to earlier arguments by Penrose (1959), and Wenerfelt (1984). This review notes at least three aspects shared by Wenerfelt and Barney. Firstly, Barney's (1986a) paper as with Wernerfelt (1984) was critical of Porter's (1980) argument that only firms who create an imperfectly competitive product market can enjoy a competitive advantage. Secondly, both articles differently suggest that products/market analysis does not ensure superior economic performance except by luck (Barney, 1986a). Thirdly, both articles posit that competitive environment and implementation of product market strategies are no guarantee for superior performance, firms can achieve that by looking inwards in terms of choosing to implement strategies that exploit resources, skills, and capabilities available to them. Barney (1986b) advanced his idea further by analysing organizational culture as a useful resource, which could be a source of competitive advantage, particularly if the culture is valuable, rare, and imperfectly imitable. The role of organisational culture resonates quite considerably in the context of this study as the findings chapters of this thesis would show.

Dierickx & Cool (1989) challenged Barney's (1986a) strategic factor market idea by pointing out that firms deploy both tradable and untradeable assets. Therefore, the 'strategic factor market' idea applies to only tradable assets, as markets for untradeable assets do not exist (Dierickx & Cool, 1989). Referring to Barney's (1986b) example about 'corporate reputation', the authors maintain that assets like reputation, loyalty or trust of a customer or supplier are rather earned or developed through a history of for instance: honesty, prudence, and consistent dealings (Dierickx & Cool, 1989; 1505).

Central to their contribution, Dierickx & Cool (1989) used what they termed 'assets accumulation' and 'assets flow' to suggest that it is the accumulation of resource bundles rather than the flow of resources that matter. They explained that assets like knowledge and firm-specific skills often accumulate through for instance job learning and training but the idiosyncrasy of such firm-specific resources does not allow their overt tradeability (Dierickx

& Cool, 1989). Accordingly, only such assets can provide a competitive advantage because they characteristically defy imitation due to their tacit dimensions and social complexity (Dierickx & Cool, 1989). An opinion that soon became elementally entrenched in RBV as Barney (1991) and Peteraf (1993) also proclaimed thereafter, just to name a few. Prahalad & Hamel's (1990) notion of 'core competencies of the corporation' – are referred to as the unique combination of firm resources and skill-set, offers similar proposition but the core message of their thesis was considerably subsumed in Barney's (1991) seminal restatement of the RBV. Dierickx & Cool's (1989) idea of 'resource accumulation' and 'core competencies (Prahalad & Hamel, 1990) are notably insightful but neither of the ideas provided a complete framework for analysis of how assets may be developed over time just as the DMC perspective now claims.

2.6 RBV: Barney's VRIN idea

Barney's (1991) seminal article, "Firm Resources and Sustained Competitive Advantage" responds to Dierickx & Cool (1989), enhanced interests in RBV and offers what scholarship widely consider as the detailed resource-based view/framework (Hoskisson, Hitt, Wan, & Yiu, 1999; Priem & Butler, 2001). The article enhanced the RBVs in four notable aspects. First, the paper defined strategic resources including; physical capital, human capital and organizational capital as a source of competitive advantage to firms who control them. Secondly, the article highlights that competitive advantage mainly derives from such resources being heterogeneous in and among firms within an industry.

Thirdly, he explained that resources should not be perfectly mobile across firms if the heterogeneity is to be sustainable, a perspective that is consistent with Deirickx & Cool's (1989) argument against the 'strategic factor' idea. The fourth is what many scholars see as the core contribution of Barney (1991) paper – the four conditions under which a firm's resources base may become sources of SCA: 1) it must be valuable 2) it must be rare 3) it must not be perfectly imitable (4) it must be non-substitutable (Barney, 1991).

Valuable resources

A firm's valuable resources are those resources, which enable the organisation to conceive and to implement strategies that provably improve their efficiency and effectiveness and necessary to deliver value to customers (Barney, 1991; Fahy, 2000). The value of resources also lies in being unique among those controlled by rivals and enables an organisation not only to exploit opportunities but to also neutralise exiting or potentials threats of other rivals in its environment (Barney, 1991). However, scholars have argued that the determination of 'valuable resources' is one of the controversial elements of Barney's (1991) conception (Schmidt & Keil, 2013).

Amit & Schoemaker (1993:37) and Peteraf (1993) for instance note that the determination of the value of a firm's resources is not so simple because it goes beyond their contribution to the production process. In their view, valuable resources also need to effectively match opportunities (Peteraf, 1993) and be consistent with other plausible characteristics and relevant set of '*strategic industry factors'* (Amit & Schoemarker, 1993). In other words, the definition of 'resources value' is not likely to be constant as it is essentially a function of exogenous rather than endogenous factors (Priem & Butler, 2001:29-30). Fahy (2000) suggests that the key might be to try to recognise and to control resources that are valuable in terms of congruence with the existing or potential business realities in an industry. Implicit in these views is thus that the determination of resources value is not only essential but also the preserve of managers.

Rare resources

Rareness is about an organisation's valuable resources that are not possessed by many other rival or potential rival organisations (Barney, 1991). But how rare must a particular resource(s) be to meet this requirement? Peteraf (1993) addresses this aspect by adding that a resource should be rare or scarce in the sense that they are in short supply or not accessible enough to satisfy the demand for their use. It is thus believed that if the valuable resources an organisation possess or control are relatively limited, that that would cause imperfect competition in an industry and make such resources a potential source of competitive advantage (Barney, 1991; Peteraf, 1993) especially if the other criteria are met as well.

Imperfectly imitable

Imperfectly imitable resource is according to Barney (1991) the resources that are not easy to duplicate or copy by rivals, and thus places rivals at costs disadvantage (Peteraf, 1993). Barney (1991) also suggests that the extent to which an organisations resources can be imperfectly imitable depends on 1) the 'resource unique historical conditions', (2) casual ambiguity, and (3) the social complexity of the resources. Ideas that notably build on Rumelt's (1984) idea of 'isolating mechanisms', Lippman & Rumelts' (1982) idea of ‘uncertain imitability’, and Dierickx & Cool (1989) contribution about asset stock accumulation and limits to imitation. To ensure clarity, this review also explains these terms.

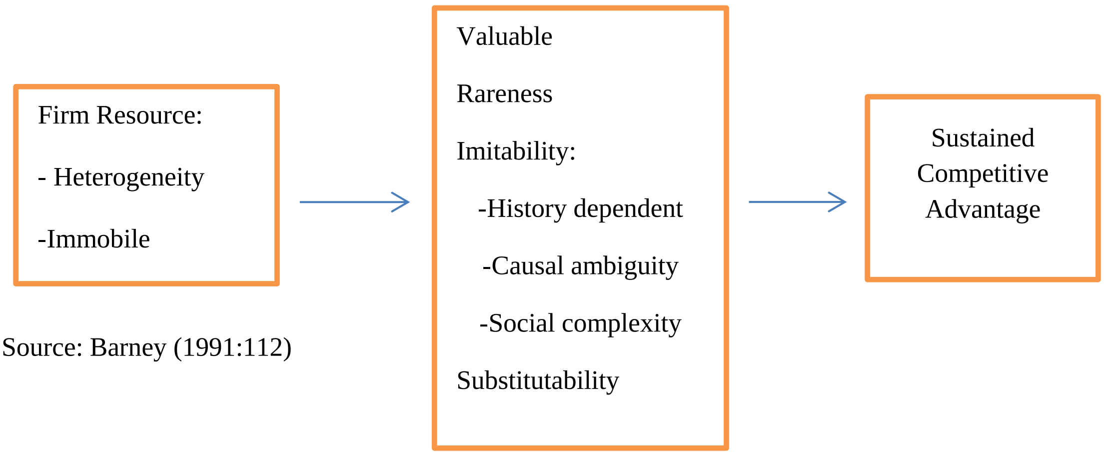
Unique historical condition refers to the fact that each organisation has a distinct creation or pathway with which it arrived where it finds itself (Barney, 1991). According to Barney (1991:108) “if a firm obtains valuable and rare resources because of its unique path through history, it will be able to exploit those resources in implementing value-creating strategies that cannot be duplicated by other firms, for firms without that particular path through history cannot obtain the resources to implement that strategy”. Recall Dierickx and Cool's (1989) argument about assets accumulation and their effects on the inimitability of firm resources. They show for instance that, tacit organisational knowledge, trust between management and labour are often historically dependent and unique to a firm, which because firms build over time, rivals would find them quite hard to copy perfectly (Dierickx and Cool, 1989; Amit and Schoemaker, 1993).

Causal ambiguity – describes the tendency or condition of a blurry link between the cause and effects; specifically, when rival firms find it difficult to perfectly grasp or discern the relationship between actions (cause) and the sustained competitive advantage an organisation enjoys (Barney, 1991). As mentioned earlier, this idea builds on Lippman & Rumelt (1982) argument that inter-firm causal ambiguity constrains copying by rival firms. According to Fahy (2000:97), “casual ambiguity exists where resources are highly tacit, highly complex or are the result of accumulated firm-specific activities’. Therefore, the understanding implies that if resources and their effects are hard to place by competitors, its diffusion and imitation among competitors can be constrained and only then can competitive advantage can be sustained (Lippman & Rumelt, 1982; Barney, 1991). In other words, rival organisations must not have a perfect understanding of the relationship between the resources controlled by an organisation and their results if they would command superior outcomes over time.

Social complexity - refers to the extraordinarily and ‘complex phenomena typically special to an organisation such that other organisations find them difficult to systematically manage, influence or replicate’ (Barney, 1991:110). Given examples include an organisation’s culture, reputation attained by an organisation among suppliers and customers, and the interpersonal relations among the organisation’s staff, and managers (Barney, 1991). So, to the extent that socially complex resources owned by an organisation are not subject to procedural management, those resources can be imperfectly imitable (Barney, 1991), non-tradable (Dierickx & Cool, 1989), perfectly immobile (Peteraf, 1993) and likely confer advantage.

Non-substitutable

This requirement simply means that there should be no substitutes for the resource (s) because the strategic value of a firm's resources is likely to decline to the extent that they are available substitutes for them (Amit & Schoemaker, 1993:39; Barney, 1991). In other words, firms can hardly leverage competitive advantage under circumstances of equifinality in resources (Barney, 2001a). Figure 2 below is illustrative of Barney's (1991) original RBV framework which shows that a firm's resources that are both heterogeneous and immobile leads to resources that are characteristically (valuable, rare, inimitable, and non-substitutability) and which are the primary basis of SCA.



Source: Barney (1991:112)

Figure 2 Barney's 1991 RBV Framework

As earlier mentioned, Barney's (1991) RBV was widely appreciated for being more detailed (Priem & Butler, 2001). Apart from Barney, other writers on the subject because of their notable contributions are also seminal. Popular examples including; Mahoney & Pandian (1992), Peteraf (1993), Amit & Schoemaker (1993), and Collis & Montgomery (1995) have been examined by this research.

With reference to Barney's (1991) paper, Mahoney & Pandian (1992:365) citing the earlier work by Penrose (1959) points out that "a firm may achieve rent not because it has better resources, but rather the firm's distinctive competence involves making better use of its resources". They argued that a firm requires competencies that can help them to make the best use of their resources and in a manner that would maximize their potential productivity and financial yield. Essentially, the authors extended the RBV in an 'evolutionary context' in acknowledging the influence of learning, path-dependency, and managers by arguing that, "a firm's distinctive competence may be defined by the set of substantive rules and routines used by top management" (Mahoney & Pandian, 1992: 369). Managerial decisions and rules in the past are the 'basic genetics which firms' possess' – suggests that sustainable competitive advantage is a path-dependent process (Mahoney & Pandian, 1992:369)

Peteraf (1993) contributed to Barney's (1991) RBV by highlighting resource heterogeneity as the most fundamental condition for competitive advantage especially when they also satisfy the VRIN conditions. Writing on what she called 'the cornerstones of competitive advantage' the paper identifies that: heterogeneity of resources, imperfect mobility of the resources, *ex-post* limits to competition, and *ex-ante* limits to competition as the four conditions needed in order to enjoy sustained competitive advantage. She explained that when resource is heterogeneous, it is possible to obtain Ricardian or monopoly rent. With *ex-post* limits to competition, rivals can strategically preclude rents from competition. The imperfect mobility ensures that valuable factors remain within the firm and ex-ante limit to competition ensures that costs do not offset the rents.

Amit & Schoemaker (1993) clarifies the distinction between resources and capabilities (see table 2.1 above) and further argue that what accounts for inter-firm difference is the deployment of resources (the capability aspect) – described as, strategic asset, not necessarily the resources themselves. The authors provide a salient link between IO and RBV by analysing conditions that support the derivation of economic rent (SCA) over time and bounded rationalities that managers always face. They argue that when the product-market is the unit of analysis, 'certain resources and capabilities which are subject to *Strategic Industry Factors (SIF)* becomes the ultimate determinant of economic rent' (Amit & Schoemaker, 1993:36). While SIF can be determined at the industry level, the challenge before the managers in a firm is how to recognise *ex-ante* the strategic assets required for achieving a competitive advantage. They described strategic assets as "the set of difficult to trade and imitate; scarce, appropriable and specialized resources and capabilities that bestow the firm's competitive advantage (Amit and Schoemaker, 1993:36)".

On the other hand, when the firm becomes the unit of analysis, the challenges managers face would be how to create and marshal out resources and capabilities 'whose economic returns are appropriable by the firm' (Amit & Schoemaker, 1993:36)". The authors' core message, therefore, is that strategic assets (resources and capabilities) are often firm and/or industry-specific – in other words, idiosyncratic (Eisenhardt & Martin, 2000). It is the idiosyncrasy of the resources and capabilities that make them inimitable, difficult to abridge their time and building process, and partly determines their capacity to yield rent (Amit & Schoemaker, 1993). They further argue that organisational rent comes from the imperfect and discretionary decisions to develop and deploy selected resources and capabilities by managers.

Based on the industry analysis framework and RBV the authors also conceptualised a behavioural view of strategic assets – 'Behavioural Decision Theory (BDT)' and in addition suggest how to target, develop and deploy them (Amit & Schoemaker, 1993; Peteraf, 2003). The BDT indicates that cognitive imperfections, complexities and internal conflicts impact on firm's approach to its external environment. They suggest that firms and managers, in particular, must identify those resources and capabilities, which are congruent with the strategic industry factors (SIF) for the now, and likely to be vital for the future in order for superior rent and competitive to be attained (Amit & Schoemaker, 1993). This study finds this argument to be relevant in the DMC concept.

In short, the above contributions and notably, some compelling assumptions are related to why the RBV is widely acknowledged as a fruitful theory in strategic management research; particularly by redirecting attention to firms' internal factors consideration unaddressed by the IO. DC and DMC both align with the RBV consideration of internal factors as being important. However, despite its relevance, how the resources and capabilities emphasised by RBV may be developed remained unclear (Amit & Schoemarker, 1993). These observations and more underpins the tractions for enhancement of the RBV by incorporating the dynamic and behavioural aspects that later became the rationale for the DC and the DMC. A review of the key criticisms associated with the RBV is necessary in order to highlight more clearly the basis for the departure provided by the capabilities perspectives including the DMC.

2.6 Criticisms against the RBV

Unclear conceptual definitions and tautological statements

One critical charge against RBV is about unclear definition of concepts, and offering tautological statements (Priem & Butler, 2001a; Foss, 1997). According to Foss (1997), the RBV is an epitome 'terminological soup' by not having a shared terminology among its proponents, example, Lippman & Rumelt (1982), Wernerfelt (1984), Barney (1991) and others like Prahalad & Hamel (1990) 'core competence' idea. This means that there are different versions of the resource-based approach' and yet no one integrated perspective (Grant, 1991). Priem & Butler (2001a/b) amplified this argument by highlighting what they considered as 'elemental fallacies' of the RBV and further declares that the RBV is tautological and a poorly explained framework. Porter (1991) puts it that, "at its worst, the resource-based view is circular. Successful firms are successful because they have unique resources. They should nurture these resources to be successful. …what is a unique resource? What makes it valuable? Why was a firm able to create or acquire it? Why does the original owner or current holder of the resources not bid the value away? What allows a resource to retain its value in the future? There is once again a chain of causality that this literature is just beginning to unravel" (p.108).

Lack of actionable prescription for managers

Scholars also argued that the RBV lacks actionable prescription and thus unhelpful to industry practitioners, executives (Bowman & Collier, 2006:192) or managers (Priem & Butler, 2001a). For example, Collis & Montgomery (1995) argue that SCA does not depend only on VRIN resources, rather resources that pass the test of durability, appropriability, and competitive superiority. Foss & Knudsen (2003) believes that, in Barney's VRIN resources idea, only two criteria, namely, uncertainty and immobility of resources are necessary for gaining SCA. Foss (1997) considers that it may not often be the uniqueness or rareness of resources that matters, but rather the implicit fit of resources in a system.

Foss (1997:19) buttressed his argument by asserting that assuming resources as unit of analysis and to suggest that some resources may be unique or valuable in certain instances can lead analysis off-target and consequently deliver the wrong advice. This is especially where there is complementary and co-specialisation among individual resources such that it is the interplay of resources cluster rather than individual resource that is vital for competitive advantage. Priem & Butler (2001a:32) supports this view by arguing that 'simply advising practitioners to obtain VRIN resources in order to obtain SCA does not meet operational validity criterion. The authors questioned the empirical content and testability of the VRIN criteria, pointing out for instance that the RBV is limited because even the criteria for value remains in an exogenous black box' (Priem & Butler, 2001). They believe that effective prescription ought to involve a clear criterion with which each alternative resources can be determined on each resource criteria (Priem & Butler, 2001). Thus, "Additional conceptual work is needed if the foundation of the RBV is to meet law-like generalisation standard" (Priem & Butler, 2001a:28).

A static concept

Priem & Butler (2001a:33) also argued that despite that the RBV emerged as a dynamic approach, it largely a static concept. Teece et al (1997:514) also agreed that the RBV is a static theory by focusing only on strategies for exploiting existing firm-specific assets because such assets are inadequate to support SCA in a rapidly changing environment. Foss (1997:352) put it that, its lack of 'clear conceptual model of the endogenous creation of new resources to be found in the resource-based perspectives'. Scholars believe that companies can accumulate a large stock of valuable assets and still not have many useful capabilities to drive survival and competitive advantage over time (Teece et al, 1997; Priem & Butler, 2001). As Teece et al (1997) observed, "Winners in the global marketplace have been firms that can demonstrate timely responsiveness and rapid and flexible product innovation, coupled with the management capability to effectively coordinate and redeploy internal and external competences (Teece et al 1997:515). This argument is widely shared by the DC research community (e.g. Eisenhardt & Martin, 2000; Helfat et al, 2007; Newbert, 2007; Teece, 2007; Winter, 2003; Wang & Ahmed, 2007; Zahra, Sapienza & Davidsson, 2006).

Unclear contribution and not an established theoretical structure

Consistent with the above arguments, in sum, a widely held view is that the RBV could not provide any clear contribution or clarity about its core aspects, and is thus not an established theoretical construct. According to Grant (1991:15), 'the implications of the 'resource-based theory' for strategic management are unclear for two reasons. First, the various contributions lack a distinct integrative framework, and secondly, not much has been achieved on developing the concrete or practical effect of this theory' Grant (1991:15). Put differently, the RBV only made implicit assumptions that are not just different from the IO model and is therefore not an established theoretical structure **(**Priem & Butler, 2001a). Foss (1997) nonetheless believes that the RBV could be a basis for 'fertile dialogue' between RBV and IO economics (Foss1997:21-22); a position also shared by Amit & Schoemaker (2003).

2.7 Some Response

Barney (2001b) responded to some of the critical comments generated by his 1991 article especially and the RBV generally. Barney, for instance, described Priem & Butler (2001) criticisms as unfounded because they failed to acknowledge the ways in which his article operationalized the key variables in his hypothesis. Barney (2001:42b) admitted that value is exogenous to the RBV as articulated in his 1991 article but argued, that "it would be inappropriate to suggest that the 1991 article fails to give at least some guidance as to how the value of resources can be determined". He maintained that his 1991 article specified that one could determine the value of resources by models of the competitive environment in which a firm operates. The author also maintained that while 'rarity' criterion parameterisation in his 1991 article was incomplete, it was specific enough to generate empirically testable assertions (Barney, 2001:43b). In fact, the paper also demonstrates with reference to some empirical research that 'indeed it is possible to derive some empirically testable assertions from his 1991 article contrary to criticisms by Priem & Butler (2001a)' (Barney, 2001:43b).

On the criticism that the role of product market in Barney (1991) was implicit, Barney (2001:48b) maintains that his 1991 article pointed out that "a complete model of strategic advantage requires the full integration of models of the competitive environment" and in fact that the factor and product markets model in Priem & Butler (2001) analysis partially accomplished that call. The author also indicated that his 1991 article has focused on resources (factor) as the unit of analysis, only because the factor/product markets model that his earlier article (1986a) already addressed Priem & Butler's observation.

Further to the above, the author also disagrees with Priem & Butler's criticism that the RBV as articulated by Barney (1991) was void of prescriptive ability and applicability. Barney (2001b) maintains that his 1991 resources-based logic has considerable practical implications for managers. His examples include:1) that it can help managers in organizations that are experiencing strategic disadvantage to at least gain strategic parity by detecting those valuable and rare resources to help them in the process of benchmarking as many organizations would always try to (Barney, 2001:49b). Secondly, the author believes that resource-based logic could help managers to understand the kind of resources with the potentials for generating competitive advantage, and more importantly those controlled by the organisation with the potentials to deliver sustainable competitive advantage (Barney, 2001:49b). With that understanding, the paper argues that managers can be able to nurture, maintain, and protect those resources that constitute the organizations current sources of advantage (Barney, 2001:49b) – therefore, an acceptance that the role of managers was less developed in the RBV.

Regarding Priem & Butler (2001) position that the RBV is largely static, Barney (2001:52b) argues that their observation has focused on the undeveloped aspect of his 1991 article but admitted that they are correct to have emphasised the importance of dynamic analysis of sustained competitive advantage. He also acknowledged that it is through that kind of analysis that the complete implication of the resource-based concept connection with sustainable competitive advantage can be better understood (Barney, 2001:52b). Implication of Barney's (2001b) response is also that the argument by Teece et al (1997) is right in terms of his observation and traction, which led to developing a dynamic capability approach.

2.8 RBV – why the debate continues?

After Priem & Butler (2001) and Barney's (2001b) exchange, some contributions towards the refinement of the theory show that Barney's responses seem to have offered little as the debate is simply not going away. Miller (2003:962) for example further argued that the conditions of VRIN outlined by Barney present a sustainability and attainability dilemma for practitioners. According to Miller (2003), if a value is preserved by their inaccessibility to others, the question is "how can companies that do not already have such resources create them when others cannot? Or how could they purchase them, given their obvious value, at costs that would allow a superior return?" (Miller, 2003:962). Knott (2003:930) also made the point that if there is the availability of market for franchises for instance – a market in whereby organisational routine, brand name, and reputation is accessible it means that the logic of the RBV represents a paradox.

Peteraf & Barney (2003) however focused on addressing definitional issues regarding competitive advantage, value, and resources. Whilst delineate the resources-based theory, the authors also warned about any attempt to incorporating aspects of economic theory that are outside its domain (Peteraf & Barney, 2003). Against the criticisms of the RBV not having practical implications for managers (Priem & Butler, 2001), Newbert (2007), and Armstrong & Shimizu, (2007) have taken empirical approaches to test the RBV hypothesis. Newbert (2007) for instance examined the relationship between value, rareness, competitive advantage (CA) and performance and found that both value and rareness are related to CA and CA mediates the rareness-performance relationship. Some empirical studies focused on measuring the characteristics of firm resources and capabilities in relation to firms' performance, e.g. Henderson & Cockburn (1994), and Barney & Akira (2001). Armstrong & Shimzu (2007) focused on the evaluation of the methodology issues around the RBV, how to clarify the value and boundaries of the resources-based assumptions. Many researches provide considerable support to the key assumptions of Barney's (2001b; 1991) assumptions.

Kraaijenbrink, Spender, & Groen (2010) conducted a review of the key criticism received by RBV in order to make them more comprehensive and to ascertain their merits. The authors identified and classified the different critiques into eight categories and insightfully discuss their associated severity and impact. (a) 'The RBV has no managerial implications. (b) The RBV implies infinite regress. (c) The RBV applicability is too limited (d) SCA is not achievable based on RBV (e) RBV is not a theory of the firm, (f) VRIN is neither necessary nor sufficient for SCA, (g) the value of the SCA is too indeterminate to provide for useful theory, and (h) the definition of resources is unworkable' (pp.351). From their analysis of those criticisms, Kraaijenbrink and his colleagues maintain that criticisms regarding (a) to (e) are wrong and do not pose a threat to the RBV. However, the paper maintains that critical opinions as regards 'f, g and h' are right and should be addressed if the RBV is to completely demonstrate its latent ability to explain the superior performance of firms both in stable and under conditions of changing business environment.

Of the key criticisms that have trailed the RBV, it can be argued that despite Barney's (2001b) response to Priem & Butler (2001a), it remains that the most underdeveloped theorisation in Barney's (1991) is about the role of managers. In particular, while Barney's (2001b) response as earlier mentioned argues that the RBV can help managers understand resources that can confer competitive advantage. However, it remains to be fully addressed how managers contribute to establishing what valuable resources are in relation to their congruence in the business environment and how managers may manage the process of both building the important resources and its outcomes (Sirmon, Hitt, Ireland & Gilbert, 2011; Amit & Schoemaker, 1993).

2.9 Summary

This chapter discussed the industry competitive forces analysis and the resource-based view (RBV) as the two prominent but parallel theoretical frameworks with notable attempts on explaining the sources of competitive advantage, in the 80s and early 1990s respectively. Analysis in the chapter also demonstrates that the RBV parallels the competitive forces framework by taking an inward-outward position rather than an outward-inward perspective. Argument for and against the traceability of the RBV to Penrose (1959) as the precursory was reflected upon and based on findings infer as some studies have previously acknowledged that it is difficult to trivialise the contribution of Penrose to RBV and DCV.

Discussion in this chapter also reflected on Barney's (1991) restatement of the RBV, which prescribes the control of a VRIN resource-base as conditions for SCA. However, whilst widely being accepted as a fruitful framework, scholars also accused the framework of being overtly static and limited. The framework is limited due to its failure to incorporate consideration for dynamics in the environment in which firms operate, and being silent on the roles of managers in meeting the criteria, it suggests. How managers may manage the process of both building important resources and their (resources) outcomes remains unaddressed in the framework. These observations and as many previous research have acknowledged implies that while the RBV development is helpful to some extent. In the current era of market turbulence, the age-long question of strategy – how firms achieve and sustain competitive advantage calls for more research effort and insights beyond the contribution offered in the RBV. The dynamic capabilities perspective discussed in the succeeding chapter was developed mainly to address gaps in the RBV theorisation.

Chapter Three

The Dynamic Capabilities View

"Our view of the firm is somewhat richer than the standard resource-based view …it is not the bundle of resources that matter, but the mechanisms by which firms learn and accumulate new skills and capabilities, and the forces that limit the rate and the direction of this process" (Teece, Pisano, & Shuen, 1990:11).

3.1 Introduction

The preceding chapter was an attempt to develop this literature review on a robust foothold by reviewing the IO and RBV – the two popular strategy perspectives in the 80's and 90's but unfortunately, have had little success in addressing the question of how firms' achieve SCA. The purpose of this chapter is to examine the dynamic capabilities view (DCV) developed by scholars in response to the limitations of the IO and RBV. Whilst still an emerging theoretical stream (Helfat & Peteraf, 2009), scholars recognises the DCV as the new-touchstone, most active, vibrant and one of the most promising strategy perspectives (Arend & Bromiley, 2009; Di Stefano et al, 2010; Barreto, 2010; Vogel & Güttel, 2013). According to Ambrosini & Bowman (2009:29) "the DCV focuses on the capacity of an organisation facing a rapidly changing environment has to create new resources, to renew or alter its resource mix".

Often regarded as an extension of the RBV, and whilst scholars consider the DCV to be richer than earlier strategy perspectives (Teece et al, 1990; Eisenhardt & Martin, 2000; Ambrosini & Bowman 2009) given its promising route to SCA under conditions of change (Schilke at al 2018). Some theoretical omissions and contradictions also means that explicit knowledge of how organisations may usefully apply DCV the promise it claims is yet to fully emerge. This study aims to contribute empirically to the DC concept from a managerial perspective, hence, continuing with a review of the concept in this chapter. The remaining sections in this chapter have been organised to include first, the literature review process, and then, the theoretical foundation of DCV, definitions of DCs and then, the definition adopted in this study. Next, it discusses the distinction between DCs and ordinary capabilities, and thereafter, the DCs development and deployment processes. The chapter further discusses DCs as context path/context-dependent construct, its link to SCA, and then reflect on the criticisms and associated with the DCV. Discussion continues thereafter with a focal analysis of the DMC perspective, the cognitive capabilities aspect, and the research framework.

3.2 Systematic Literature Review Process

As the broad theoretical pivot of this research, the researcher made a decision to try to approach the review of the concept more systematically. In particular, the review of the DCV/DMC literature in this chapter follows an approach reflecting the systematic literature review (SLR) technique suggested by Tranfield, Denyer & Smart (2003), Rousseau et al (2008), and Macpherson & Jones (2010) albeit, in a non-rigid fashion, for reasons discussed later. SLR involves using clear and orderly processes to search, identify and assess theoretical contributions in a research field/area (Tranfield et al, 2003). Although the SLR technique has become prominent in other research fields, it is still rare in DCs research; few exceptions include Eriksson, (2013), Giudici & Reinmoeller, (2012) and Schilke et al (2018).

Compared to conventional literature reviews (CLR), scholars provide strong support for the SLR because 1) it helps to enrich the quality and validity of a review by showing clear processes or steps that have been followed in e.g. the literature search and analysis (Jones & Gattrel, 2014; Tranfield et al, 2003; Briner & Denyer, 2009; Eriksson, 2013). 2) It enhances the rigor in a literature review process by showing sources of the underpinning evidence related to the questions and objectives of research (Pittaway, Robertson, Munir, Denyer & Neely, 2004). And 3) based on many unresolved discrepancies about DC (discussed later) it is also considered that SLR is an important way to help show what is known, unknown, and what we would want to know about DCV/DMC (Ericksson, 2013; Schilke et al 2018).

Despite its advantages, the SLR is however not without shortcomings. Chugh & Wang (2014) and Pittaway et al (2004) suggest that SLR when performed in a rigid fashion, may lead to exclusion or missing out important contributions/articles/books. With that in mind, this study follows the ideas by Chugh & Wang (2014), Giudici (2013) and Helfat & Martin (2015) and Schilke et al (2018) innovatively employed SLR to identify, assess and reflect on current knowledge of what has been an impressive flow of literature in the field (Barreto, 2010) rather than a set of rigid rules of literature survey. Discussion continues next with the processes of literature search, selection, and ideas synthesis that have influenced this study.

3.2.1 Search and selection of literature

Trafford & Leshem (2008) suggest three main types of literature sources on which research can draw ideas, namely, primary, secondary and supporting sources. The primary sources refer to original works that have made ‘major epistemological contribution’ or ‘paradigm shift’ to the understanding in a field (Trafford & Leshem, 2008 p.74). The secondary sources comprise literature that are not the original work but usually cite and reviews the primary or foundational works (Trafford & Leshem, 2008). The supporting sources often include literature, which may or may not be entirely research-based; seeking to extend knowledge boundaries in the field or not but offers respectable arguments – often more contemporary in terms of date and content (Trafford & Leshem, 2008). The literature survey in this study embodies all three sources.

In line with the above idea, this review focused on first, locating/evaluating the foundational and intellectual/knowledge core contributions on DCV (Di Stefano et al, 2010; Peteraf, Di Stefano & Verona, 2013). Secondly, to identify and engage with review papers (Jones & Gattrel, 2014), and of course other relevant articles including, more-recent publications. Trafford & Leshem (2008), and Di Stefano et al (2010) suggests that the intellectual core (primary contributions) and secondary contributions often provides a good and useful starting points for gaining informed interpretations, whereas the secondary contributions e.g. review articles often provides new ways to understanding the arguments in the foundational thesis.

The researcher conducted targeted search for relevant dynamic capabilities and dynamic managerial capabilities articles from two popular databases namely, the ISI web of science and SCOPUS. In line with the recommendation by established researchers, and from the researcher's experience, those databases offer some of the best and up to date sources of peer-reviewed strategic management research publications. The decision to involve two databases was simply to compare findings and help to complement for literature not returned by search from either database. More specifically, this review started with a search on the ISI web of science for articles published from 1997 to 2015 that used keywords: 'dynamic capabilities view' or dynamic managerial capabilities' as title, in their abstract or as keywords.

The selected period reflects the time in the course of this study in late 2015 when the researcher decided to approach the literature search more systematically. The search returned an initial result of (440) articles at the time; a significant reduction from a search when only "dynamic capabilities" were used as keywords. As earlier mentioned, next the researcher targeted the highly cited publications/articles. Highly cited publications often points towards the primary and knowledge core contributions (Peteraf et al, 2013; Trafford & Leshem, 2008) in a field and can serve as a measure of influence (Di Stefano et al, 2010) and quality of the publication (Vogel & Güttel, 2013). Based on the result, the most cited DC publication was Teece et al (1997), followed by Eisenhardt & Martin (2000) and thereafter, other articles with high citation count as well. By reading the abstracts of the most highly cited articles retrieved, it was interesting to see that a number of review articles in the field were part of them e.g. Zahra et al (2006). Jones & Gattrel (2014) provides a focal analysis of the importance of review articles. Trafford & Leshem, (2008) categorised review articles as secondary literature sources, which they described as 'valuable'. Thus, similar to Giudici's (2013) idea, the search and selection were refined to include DC and DMC review articles with interest especially on those with appreciable citation index and/or those appearing on top-quality journals as earlier mentioned.

Consistent with Jones & Gattrel's (2014) and Trafford & Leshem, (2008) suggestions, the review articles helped the researcher to gain a better understanding of arguments in the primary or knowledge core DCV contributions. Secondly, the review articles e.g. Helfat & Martin (2015) served as lead to other useful articles from top journals sources e.g. the *Strategic Management Journal*. Recent contribution by Schilke et al (2018) also involved a similar idea by identifying most cited articles from Peteraf et al (2013). Selection of other publications based on relevance and newness. For consistency, the same process was used for the search on the SCOPUS database. Further additions just to ensure update review rounded-off the literature selection. The process is consistent with Tranfield et al (2003) who suggest that benchmarking a search and following these clearly defined steps or criteria is in itself a distinction from traditional review because it facilitates comprehensive results.

3.2.2 Result/Literature Composition

After excluding several articles that seemed not particularly targeted/relevant, this review involved an initial panel of 136 articles from 17 sources in the business and management area. The sources include but not limited to Strategic *Management Journal, Organisational Science, Journal of Management Studies, Decision Science, Academy of Management Review, Academy Of Management Annals, International Journal of Management Review, and British Journal of Management.* See appendix 11 for other sources not mentioned here. In addition, expediency necessitated this review to examine arguably the pioneer, and the most referred DC textbook i.e. Helfat et al (2007). Note that the researcher identified and reviewed other articles progressively in the course of this research and thereby kept up-to-date of the contemporary developments in the field. The reference list of this thesis provides a comprehensive account of conceptual and empirical DC/DMC literature examined by this study. The researcher believes that the SLR process (in less rigid fashion) as used by this study aided a rigorous and comprehensive assessment of the DCV and DMC literature. Table 3.1 below synthesises some of the most referred DC articles, review articles, and one book.

Table 3. 1 Dynamic Capabilities (foundational articles, reviews, and one book)

Authors/Date	Title	Source	Cited times
Teece, Pisano & Shuen (1997)	Dynamic Capabilities and Strategic Management	SMJ	9679
Eisenhardt & Martin (2000)	Dynamic Capabilities: What are they?	SMJ	4837
Makadok (2001)	Towards a synthesis of the resource-based and dynamic capabilities views of rent creation	SMJ	896
Zahra & George	Absorptive Capacity: a review, reconceptualization, and extension	AMR	2845
Zollo & Winter (2002)	Deliberate Learning and the Evolution of Dynamic Capabilities	OS	2292
Winter (2003)	Understanding Dynamic Capabilities	SMJ	1512
Adner & Helfat (2003)	Corporate Effects and Dynamic Managerial Capabilities	SMJ	447
Helfat & Peteraf (2003)	Dynamic Resource-based View: Capability Lifecycle	SMJ	1103
Zott (2003)	DCs capabilities and the Emergence of Intra-industry Differentials Firm Performance: Insights from a simulation study	SMJ	487
Zahra, Sapienza, & Davidsson (2006)	Entrepreneurship and Dynamic Capabilities: A review, model and research agenda	JMS	833
Schreyöegg & Kliesch-Erbel (2007)	How Dynamic Can Organisational Capabilities be? Towards a dual-process model of dynamization	SMJ	337
Wang & Ahmed (2007)	Dynamic Capabilities: A review and research agenda	IJMR	619
Helfat et al (2007)*	Dynamic Capabilities: Understanding Change in Organisations	BOOK	NA
Teece (2007)	Explicating Dynamic Capabilities: the nature and microfoundations of sustainable enterprise performance	SMJ	2851
Ambrosini & Bowman (2009)	What are Dynamic Capabilities and are they a useful construct in strategic management?	IJMR	424
Arend & Bromiley (2009)	Assessing Dynamic Capabilities View: spare change, everyone?	SO	88
Helfat & Peteraf (2009)	Understanding Dynamic Capabilities: Progress along a Development Path	SO	151
Easterby-Smith et al (2009)	Dynamic Capabilities: Current debate and future directions	BJM	194
Barreto (2010)	Dynamic Capabilities: review of past research and an agenda for the future	JM	457
Di Stefano, Peteraf, & Verona (2010)	Dynamic Capabilities Deconstructed: A bibliographical investigation into the origin, development, and future directions of the research domain	ICC	141
Bititci et al (2011)	Managerial Process: Operations management perspective towards dynamic capabilities	IJOPM	40
Giudici, A & Reinmoeller (2012)	Dynamic Capabilities in the Dock: A Case of reification?	SO	28
Vogel & Güttel (2013)	The Dynamic Capabilities View in Strategic Management: A bibliometric review	IJMR	54
Piening, E.P., (2013)	Dynamic Capabilities in Public Organisations. A Literature Review and Research Agenda.	PMR	43
Peteraf, Di Stefano & Verona (2013)	The Elephant in the Room of Dynamic Capabilities: Bringing two divergent conversations together	SMJ	138
Eggers & Kaplan (2013)	Cognition and Capabilities: A multi-level Perspective	AMA	120
Helfat & Martin (2015)	Dynamic Managerial Capabilities: review and assessment	JM	96
Schilke et al (2018)	Quo Vadis, Dynamic Capabilities? A Content Analytical Review of the Current State of Knowledge and Recommendation for Future Research	AMA	24
Ambrosini, V., & Altintas, G., (2019)	Dynamic Managerial Capabilities. In Oxford Research Encylopedia, Business and Management. USA: Oxford University Press	BC	NA

Acronyms*British Journal of Management (BJM) Industrial/Corporate Change (ICC) International Journal of Management Review (IJMR), Journal of Management (JM), Journal of Management Studies (JMS) Strategic Management Journal (SMJ), and Strategic Organisation (SO) …. (Citation counts updated, July 2019).

3.3 Understanding the Theoretical Foundations of DCV

Discussions in literature show that the dynamic capabilities idea is traceable to a wide-range of intellectual origins. Based on Teece et al (1997) acknowledgment and opinions in most review articles assessed e.g. Ambrosini & Bowman, (2009) Barreto (2010), Easterby-Smith, Lyles & Peteraf (2009), and Schilke et al (2018). The most cited ones include Schumpeter's (1942) analysis of innovation and entrepreneurship; 'the theory of firm growth' (Penrose, 1959) briefly discussed in chapter 2, and 'the behavioural theory of the firm' (Cyert & March, 1963). Scholars also acknowledge that DCV was influenced by ideas from the transaction cost economics (Williamson, 1975), industrial organisation (IO) economics e.g. the five competitive forces theory (Porter, 1980), the evolutionary theory of the firm (Nelson & Winter, 1982); the core competence of corporations (Prahalad & Hamel, 1990) and the resource-based view (RBV) of firms' SCA (Wernerfelt, 1984; Barney, 1991).

In fact, Teece et al (1997) also talks of a number of other research areas often considered to be outside of the conventional strategy boundaries as also 'elemental and integrative' in the DC approach (p.510). Eisenhardt & Martin (2000), Augier & Teece (2009; and previous reviews such as Di Stefano, Peteraf & Verona (2010), Vogel & Güttel (2013), and Ambrosini & Bowman (2009) all confirms this. As the earlier cited excerpts in Teece & colleagues (1990) indicates, their argument entails that preceding frameworks used to address the sources of SCA failed to dig deep. According to Augier & Teece (2009), DCV developed something richer by building on the expanse of preceding ideas referred. And indeed, many scholars believe that the DCV is mainly an extension of RBV of the firm (Teece et al, 1997; Ambrosini & Bowman, 2009; Barreto, 2010) in a dynamic context (Barney, 2001a; Ambrosini et al, 2009; Helfat & Peteraf, 2009; Schilke, 2013; Schilke et al 2018). To appreciate the relationship and extension, which the DCV asserts against the preceding concepts, it is vital to define the DC concept.

3.4 What is Dynamic Capabilities?

As Barreto (2010) rightly observed, the"…. literature on dynamic capabilities has provided successive and distinctive definitions of the construct" (p.257). Teece et al (1997) and Eisenhardt & Martin (2000) are the two most cited DC articles (definitions) in literature, as table 3.1 above also indicates. According to Ambrosini & Altintas (2019), Teece et al (1997) provided the first well-known definition of the DC concepts. Teece et al (1997) defined dynamic capabilities as "the firm's ability to integrate, build and reconfigure internal and external competences to address rapidly changing environments" (Teece et al, 1997: 516).

Eisenhardt & Martin (2000) thereafter defined DCs as "the firm's processes that use resources – specifically the processes to integrate, reconfigure, gain and release resources – to match and even create market change" (p.1107). Apart from these two most cited DC theorists (and conceptions), literature also show that several other scholars including, Winter (2003), Zahra et al (2006) Teece (2007), Zollo & Winter (2002) and Zott (2003) Helfat et al (2007) also offered popular definitions and contributions that have helped to sharpen the framework. Di Stefano, Peteraf & Verona (2010:1191) recognised these contributions among what they referred to as the "intellectual core" DCs research. Table 3.2 below provides a synthesis of the intellectual core and most referred DC definitions located in literature.

Table 3. 2 Key Definitions of Dynamic Capabilities

Author(s)/Year	Definitions of dynamic capabilities
Teece, Pisano, & Shuen (1997)	"We define dynamic capabilities as the firm's ability to integrate, build and reconfigure internal and external competencies to address rapidly changing environments" (p.516).
Eisenhardt & Martin (2000)	"DCs are the firm's processes that use resources – specifically the processes to integrate, reconfigure, gain and release resources – to match and even create market change....the organizational and strategic routines by which firms achieve new resources and configurations as markets emerge, collide, split, and die" (p.1107).
Zollo & Winter (2002)	"…pattern of collective activity through which the organization systematically generates and modifies its operating routines in pursuit of improved effectiveness" (p.340).
Zahra & George (2002)	"DCs are essentially change-oriented capabilities that help firms redeploy and reconfigure their resource base to meet evolving customer demand and competitor strategies" (p. 148).
Winter (2003)	"…the capabilities that operate to extend, modify or create ordinary capabilities" (p. 991).
Zahra et al (2006)	"…the abilities to reconfigure a firm's resources and routine in a manner envisioned and deemed appropriate by its principal decision-maker(s)" (p. 918).
Helfat et al (2007)	"…the capacities of an organization to purposefully create, extend or modify its resource base" (p.4).
Wang & Ahmed (2007)	"…a firm's behavioural orientations to constantly integrate, reconfigure, renew and recreate its resources and capabilities, and most importantly, upgrade and reconstruct its core capabilities in response to changing environment to attain and sustain competitive advantage" (p.35).
Teece (2007)	"the capacity (a) to sense and shape opportunities and threats (b) to seize opportunities, and (c) to maintain competitiveness through enhancing, combining, protecting, and, when necessary, reconfiguring the business enterprise's intangible and tangible assets" (p.1319).
Ambrosini & Bowman (2009)	Dynamic capability is a process that impacts on resources (p.34).
Barreto (2010)	"the firm's potential to systematically solve problems, formed by its propensity to sense opportunities and threats, to make timely and market-oriented decisions, and to change its resources base" (p.271).

As one can see from table 3.2 above, scholars have used many different terms including ability, process, capability, capacity, pattern of collective activity, behaviour, competence, routine, and potentials, to conceptualise/define dynamic capabilities. This variety of terms used to describe DC has led to critical questions about the exact nature of DC, i.e. what are they exactly? For instance, some scholars argued that these terms as differently used to describe DCs are not only inconsistent, overlapping but in some ways outright contradictions (Zahra et al, 2006:2; Schreyöegg & Kliesch-Eberl, 2007).

However, some scholars have also defended the different terminologies by explaining that that is what one can expect of a complex construct, which is still at its development stage (Helfat & Peteraf, 2009). That being said, it still remains a key concern that the concept is specified in ways that make it difficult to understand what DCs are exactly – a major source of criticisms (discussed later in this chapter) and debate impeding its progress (Easterby-Smith et al, 2009). This issue has recently led to calls for a re-visitation to the foundational conception about the framework in order to find a way forward (Peteraf et al, 2013).

3.5 DC as involving two distinct foundational conceptions

One of the arguments in literature is that many confusion and contradictions in the DCV are traceable back to two foundational conceptions, Teece et al (1997) and Eisenhardt & Martin (2000). Scholars observed that these two seminal and foundational conceptions have since their emergence developed, and being, analysed as two bodies of knowledge, and arguably the "elephant in the room" against DCV research progress (Barreto, 2010; Peteraf et al, 2013). Table 3.3 below synthesises key differences between Teece et al (1997) and Eisenhardt & Martin's (2000) concepts.

Table 3. 3 Key Assumptions/Differentials in the two Foundational DC Conceptions

Key assumptions	**Teece, Shuen, and Pisano (1997)**	**Eisenhardt & Martin (2000)**
Nature	Ability, DCs are idiosyncratic,	Processes, DCs exhibits commonality
Role/purpose	…reconfigure competence to address rapidly changing environment	…reconfigure resources …to match and even create market change
Context applicability	Rapidly changing environments	Stable /moderately changing environments
Antecedents of DCs	Process, position, and path (history)	Strategic routines, learning, and mistakes
Outcomes of DCs	Competitive advantage	Not a guarantee for competitive advantage

Source: Author

Peteraf et al (2013) considers that each of these two conceptions is inherently parallel and somewhat or outright contradictory assumptions. Many other scholars e.g. Schreyöegg & Kliesch-Eberl (2007), Zahra et al (2006), Barreto (2010) also share this position. Helfat et al (2007) and Helfat & Peteraf (2009) however suggest that Teece et al (1997) and Eisenhardt & Martin (2000) are rather complementary because the two conceptions collectively highlight the critical elements of DCs. Beginning with the different definitions (in table 3.3 above), it has been argued that one understanding that can be derived. The understanding is that DCs are about strategic change on a firm's resource base in ways that can allow a firm to create or respond to environmental dynamics (Pisano, 2015; 2016).

Therefore, as an extension of the RBV (Salvato & Vassolo, 2018), the DCV is not about the resource base itself rather about the change on the resources (Schilke et al 2018). This is consistent with Eisenhardt & Martin, (2000:111) earlier assertion that DCs "are best conceptualised as tools that manipulate resource configurations". In this regard, Pisano (2015:1) has lately opined that "the dynamic capabilities research programme has become mired in endless debate about definitions and elusive search for properties that make organisations adaptable rather than the fundamental strategic problems facing firms". However, of course, the importance of a clear definition of a concept and for any empirical inquiry cannot be underestimated (Easterby-Smith et al, 2009; Schilke et al, 2018). The next section discusses the accepted definition of DC in this study.

3.6 Definition of Dynamic Capabilities adopted by this research

Consistent with Schilke et al (2018) observation, this research adopted the integrative definition of DCs by Helfat et al (2007:4), as "the capacity of an organisation to purposefully create, extend or modify its resource base". A number of critical considerations informed the researcher's choice for this definition. First, in reviewing Helfat et al (2007), and as Easterby-Smith et al (2009) correctly noted, it became clear that this definition emerged from the joint effort of core DC scholars who based on reflection were responding to key concerns in literature about DCV. This reflective approach is consistent with Di Stefano, Peteraf & Verona's (2014) idea of "organisational drivetrain" which suggests that such harmonising thoughts are key to the needed advancement in the DC knowledge.

Secondly, it is accepted that Helfat et al (2007) definition is succinct and well-articulated in a manner that addresses, and avoids 'logical inconsistencies', 'tautology trap and confusions' charged against the construct (Zahra et al, 2006; Easterby-Smith et al, 2009; Schilke et al 2018). This is notable because it highlights (DC purpose) or exactly what DC does i.e. changing an organisation's resource-base or their ordinary ways of earning their living – how it does that is by creating, extending or modifying the resource base. Thirdly, the change must be those driven by the deliberate intent of the firm's decision-makers, thus highlighting that managers are the agency of DC in action (Ambrosini & Altintas, 2019). Fourthly, the definition addresses concerns regarding the applicable context of the construct – a key area of disagreement between Teece et al (1997) and Eisenhardt & Martin (2000) as earlier highlighted. This is because the definition did not restrict the applicable context to a rapidly changing, moderately changing or stable environment. In other words, DCs can be relevant in any business environment (Schilke et al, 2018) including the emerging economies and the industry explored by this study.

In fact, the researcher was also encouraged to follow this definition because scholars such as, Ambrosini et al (2009), Augier & Teece (2009) Easterby-Smith et al (2009), Peteraf et al (2013) and Schilke et al (2018) all agrees that this definition offers significant improvement on earlier definitions and 'precise enough' to support future developments on the concept. Evidence from empirical contributions e.g. Danneels (2011) and Martin (2011) also confirms the utility of this definition. As such, this study accepts that Helfat's et al (2007) definition having commanded a fairly, coalescing voice as confirmed by conceptual and empirical studies alike is logical and thus adopted. To enhance clarity about what DCs are, scholars have also compared it to other forms of capabilities. The next section further reflects on this.

3.7. Dynamic Capability vs. Ordinary Capability

Scholars have also attempted to clarify DC by demonstrating that there are different typologies of capability. Capability is the "capacity to deploy resources to achieve specific goals" (Amit & Schoemaker, 1993:35). According to Winter (2003), capability can be ordinary or dynamic. Winter's (2003) position, which builds on Collis (1994), also represents an effort to organise capabilities in hierarchies. An idea also shared by e.g. Eisenhardt & Martin (2000), Zollo & Winter (2002), Danneels (2002); Schreyöegg & Kliesch-Eberl, (2007) Wang & Ahmed (2007), Ambrosini et al (2009) and Pavlou & El Sawy (2011). Table 3.4 highlights key distinctions between DC and the ordinary capability of firms.

Table 3. 4 Dynamic Capabilities vs. Ordinary Capabilities

Dynamic Capabilities	**Ordinary capabilities**	**Related sources**
Higher-order capabilities	Zero-order/level firm's capabilities	Winter (2003); Danneels (2002) Schilke (2014)
Change ordinary capabilities and builds new capabilities; directed towards strategic change	How an organisation makes a living now	Winter (2003) Helfat & Winter (2011); Schilke et al (2018); Teece (2018
Governs new combinations and improvements on ordinary capability	Helps maintain day-to-day operation/ problems solution	Pavlou & El Sawy (2011); Winter, (2003) Zahra et al (2006)
Change on a firm's resource-base	Equates resource-base	Winter (2003) Pisano (2015)
Doing the right things	Doing things right	Teece (2017)

According to Winter (2003), a firm's ordinary capabilities are zero-level capabilities which, enable the firm to "make a living now" (p.992) or differently put, maintaining their day-to-day operations (Pavlou & El Sawy, 2011). Zahra et al (2006) echoed Winter's (2003) argument by explaining that 'substantive capabilities'(their proxy for ordinary capabilities) are capabilities that helps an organisation solves problems and maintain survival in the marketplace (Zahra et al, 2006:5). Cited examples of ordinary/substantive capability include; 'producing and selling' the same set of products, on the same scale, to the same market segment over time (Winter, 2003:992). So they are ordinary "by using the same technique on the same scale to support existing products and services for the same customer population" (Helfat & Winter, 2011:1244) and indeed, that helps to maintain status quo as observable in many viable business firms (Schilke et al, 2018). However, scholars think that this capability is more like the RBV, may not offer an advantage under changing business environment circumstances because a number of other contingencies are critical (Teece, 2014; Schilke, 2014; Wilden, Gudergan, Nielsen, & Lings, 2013). It means that the ordinary capability can allow an organisation mainly to compete and just maintain parity with their rivals.

Dynamic capabilities are considered as first-level and higher-order capabilities that facilitate continuous change by way of new combinations or improvements on a firm's ordinary capabilities in terms of e.g. their product(s), the production process, scale of production, and the segment of market served (Winter, 2003:992). They are capabilities that enable managers to "reconfigure a firm's resources or routine in a manner envisioned and deemed appropriate by its principal decision-maker(s)" (Zahra et al, 2006:5). As Zahra et al (2006) suggested in addition, the change on the resource base (DC) is often a function of managerial vision and 'choices' because it is the managerial vision that makes it possible to innovate.

Winter (2003) also warns that not every change on a firm's resource base or ordinary capability represents an exercise or the result of dynamic capability. The author highlights that some change can happen either by luck, as one-off or ad hoc problem-solving. So, such change does not represent an exercise of DCs because they do not always reflect reliable and patterned behaviour (Winter, 2003: 992-3). In other words, DCs should be a patterned effort towards change on a firm's ordinary capability (resource base) (Zollo & Winter, 2002; Eisenhardt & Martin, 2000). Zahra et al (2006) also agree with Winter's (2003) by suggesting that successful companies are unlikely to be applying 'improvisation' (ad hoc problem solving) as strategy or problems solving approach. It means that the exercise of DCs would reflect a structured system, routinized or patterns of what a firm does effectively. Helfat et al

(2007) further distinguished DC from “innate talent that does not derive from patterned experience of the individual involved in the decision making or deployment of the capability”. They agree that DCs must involve some patterned, repeatable or routinized set of activities that are distinct from one-off idiosyncratic change to an organisation’s resource base (Helfat et al, 2007:5).

However, whereas it is accepted that DCs are different from a firm’s ordinary capabilities, some scholars questions the idea that only patterned or routinized change can represent an exercise of DC (see: Teece, 2012; Salvato & Vassolo, 2018; Teece & Altintas, 2019). According to Teece (2012), that idea constitutes a false dichotomy because many strategic actions and key transformations involve actions that one may never replicate. Salvato & Vassolo (2018:1729) also shares this perspective by arguing that, “treating DC primarily as routines makes it difficult to identify the source of dynamism in firms”. In this study, it is considered that this recent argument is redirecting scholars to Teece et al (1997) original idea of how dynamic capability works as a composition of both organisational and managerial processes. Teece (2018) also confirms this. The next section elucidates these processes.

3.8 Dynamic Capabilities as Organisational and Managerial Processes

According to Teece et al (1997), *“We advance the argument that the competitive advantage of firms lies with its managerial and organisational processes, shaped by its (specific) asset position, and the path available to it. By managerial and organisational processes, we refer to the way things are done in the firm, or what might be referred to as its routines, or pattern of current practices and learning. By position, we refer to its endowment of technology, intellectual property, complementary assets, customer base, and its external relations with suppliers and complementors. By path, we refer to the strategic alternatives to the firm, and the increasing returns and attendant path dependencies”* (p: 518). In other words, research can problematize internal factors (process, position, and path) in order to understand what and how DC facilitates a firm’s distinctiveness that may, in turn, lead to firms’ SCA.

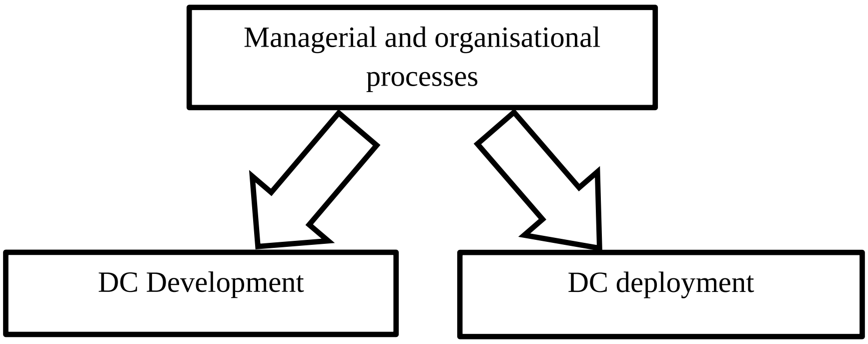
Of the three internal factors put forward by Teece & his colleagues, discussions in literature mainly confirms that DCs often reflects embedded organisational and managerial processes. Benner & Tushman (2003) described a process as a “collection of activities that taken together produce outputs for customers” (p.240). Eisenhardt & Martin (2000) to an extent agree with Teece et al (1997) by arguing that DCs consist of ‘strategic and organisational processes’ (p.1106); ...antecedent organisational and strategic routines by which firms achieve new resources and configurations (p.1107). The authors explained that the strategic process relates to managerial deft for effective decisions-making, while organisational process relates to operational routine and standards in the firm. They believe that DCs consists of 'simpler capabilities and routines related to them, some of which may be foundational to others and so much to be learned' (Eisenhardt & Martin, 2000:1116). Flowing from this subtle consensus, scholars believe that organisational and managerial processes analyses are a sensible starting point for understanding how DCs work (Eggers & Kaplan, 2009; Narayanan et al, 2009).

To also address one of the early concerns in the literature that DCs are often described as abstract concepts (Eisenhardt & Martin, 2000; Danneels, 2008). Studies have identified decision making, new products development, and alliancing (Eisenhardt & Martin 2000; Danneels, 2011; Pavlou & El-Sawy, 2011), learning, and innovation (Zollo & Winter, 2002; Eisenhardt & Martin, 2000), coordinating/integrating, learning and reconfiguring assets (Teece et al, 1997), and dynamic managerial capabilities (Adner & Helfat, 2003; Martin, 2011) as example of dynamic capabilities in practice. Despite that, Helfat et al (2007:6) however argues that "…when we seek to understand dynamic capabilities, we must move beyond general typologies of capabilities". Ambrosini & Bowman (2009:35), Moliterno & Wiersema (2007) and Helfat et al (2007) all suggest that "We still need to develop a better understanding of both the content and process of dynamic capabilities".

3.9. DC as a multi-level/dimensional organisational and managerial process

In regards to the above viewpoints, many contribution offering more clarification about how DC works have analysed the concept as a multidimensional process involving the development and deployment aspects, and more lately, emphasising that the role of managers is key. Helfat et al (2007) suggests two primary ways in which organisational and managerial processes underpin dynamic capabilities, namely, development, and deployment processes.

Figure 3 DCs Development and Deployment Processes



Copyright - adapted from Helfat et al (2007:31)

Figure 3 above in Helfat et al (2007:31) is illustrative. It shows that looking at DC under these two labels can be a good approach from which one can address/add to the existing knowledge. When it comes to DCs implementation, Helfat et al (2007) implies that 'organisational and managerial processes are inextricably linked, and the benefit from DCs depends on the efficacy of the micro/underlying aspects of those processes as invoked'. An opinion also shared by Bruni & Verona (2009), and Easterby-Smith et al, (2009).

3.10.1 Dynamic Capabilities Development Process

Unlike the RBV, it has been argued that DCs cannot be acquired in the factor market, but rather, can be developed (Helfat ate al, 2007; Makadok, 2001). Dynamic capability development refers to processes by which firms create new resources base or improve the existing ones (Helfat et al, 2007). The commonly shared perspective is that DCs often develop through learning processes (Zollo & Winter, 2002), investment (Maritan, 2001; Helfat et al, 2007; Capron & Michelle, 2009), and appropriate commitments at both organisational, managerial (Teece et al, 1997; Helfat et al, 2007) and network levels (Rothaermel & Hess, 2007) that may evoke other strategy processes. Teece et al (1997) describes learning as both process and an outcome of practice, repetition, and experimentation, which allows tasks to be performed better. The authors consider "The capacity to reconfigure and transform is itself a learned organisational skill. The more frequently practiced, the easier accomplished" (Teece et al, 1997: 521).

Zollo & Winter (2002) identified three learning processes or mechanisms that support DCs development to include: 1) tacit knowledge accumulation of experience, 2) knowledge articulation and 3) knowledge codification processes. Accordingly, these learning mechanisms are interrelated and together influences interaction among different resources of firms (e.g. material and human resources) in ways that lead to enhanced productive capacity of one resource (Zollo & Winter, 2002) and for tasks to be performed more effectively (Teece et al 1997). The paper also points out that the efficacy of these mechanisms might depend on the characteristics of the task to be learned e.g. its degree of causal ambiguity but purposeful investment in organisational learning could, for example, helps in the creation and modification of DCs for acquisitions or alliances. Teece et al (1997) also talked about learning in terms of trial and error. Cope (2003) suggests that organisation and entrepreneurs often learn from failures, while Eisenhardt & Martin (2000) adds that both success and failures are key learning sources.

Zahra & George (2002) also argued that dynamic capabilities develop through 'absorptive capability' (another proxy for learning) which they defined as "organisational routines and process by which firms acquire, assimilate, transform, and exploit knowledge to produce a dynamic organisational capability" (p.186). Their work notably builds on Cohen & Levinthal's (1990) earlier conception of absorptive defined as "the firms' ability to recognise the value of new, external information, assimilate it, and apply it to commercial ends" (p.128). In short, several DC research e.g. King, & Tucci (2002), Lavie (2006), Kale & Singh (2007), Pablo, Reay, Dewald, & Casebeer (2007) & Pandza & Thorpe (2009) all offer empirical evidence of learning practices which allowed different organisations to develop their capabilities.

Kale & Singh (2007) for example discovered that an alliance-learning process is one of the mechanisms of how firms achieve greater alliance success by helping them develop or improve their lower-order partnering skills. Pablo et al (2007) found that DC development involved learning through experimenting. Other scholars like conceptual contributions e.g. Schilke (2014b) also highlights concepts like, 'learning to learn', 'learning by thinking' (Di Stefano, Gino, Pisano, & Staats, 2014) and 'learning by doing' (Pisano, 2016) all constitutes a source of DCs development. In sum, it means that organisations and managers are encouraged to make objectives and rewards seeking investment in learning processes and activities. And in that way, they are likely to develop their capability as to absorb relevant/critical information, experience or knowledge from their internal, external and network environments that are translatable into useful strategic assets, business ideas or solution on a relatively continuous basis (Pisano, 2016; Teece, 2018; Zahra & George, 2002).

3.10.2 Dynamic Capabilities Deployment process

DC deployment is about how DCs are used. Scholars believe that DC in practice involves processes of resource orchestration and allocation in ways that may lead to the creation (development), adjustment of organisational strategies and/or resource-base (Helfat et al, 2007). Helfat et al (2007) provides a focal analysis regarding the micro-processes of DC deployment processes by firstly identifying three roles that DCs helps to accomplish, overall: 1) recognising the need/opportunity for change 2) formulating appropriate response to the opportunity recognised, and 3) executing courses of action. In other words, when referring to

DC deployment, '…the way managers interpret, invest and use the resources and capabilities at their disposal is critical' (Helfat et al, 2007:63; Sirmon & Hitt, 2009). Sharma (2000) also shows a link between the interpretation of the external environment and strategic choices.

It is argued that deployment of DCs hinges fundamentally on effective search and selection, where "search and selection entails decision-making" (Helfat et al, 2007:6) that often reflects the entrepreneurial capacity of the executive management (Teece, 2012). The authors explained for example, that incumbent managers make the decision of what to do or not to do, 'products and services to offer, in what form, and to which customers'. Those activities can take place at different organisational unit levels (top management, divisional level or sub-unit) (Helfat et al, 2007). However, managers do not have equal skills to make those decisions and perform them effectively, and that can either aid or hinder a firm's potentials and success (Helfat et al, 2007). Therefore, executive/management actions/inactions through the decisions they make and implement are at the epicentre of organizational DC deployment. It means that DC deployment involves the dexterous strategic decision-making which requires opportunities search and detection, and appropriate resource management actions.

Teece (2007) offered a similar explanation by disaggregating the exercise of DCs into three microfoundations of capabilities, namely, sensing, seizing, and reconfiguring the resource-base of an organisation. Sensing refers to managerial skills and organisational processes related to scanning for, and discerning opportunities/threats, whereas seizing capability/processes reflects the decision-making process, for example, the selection of business models, product architecture, and operational remits of the organisation. Reconfiguring capability relates to processes of recombining or reallocation of assets/resources/structures to execute the strategic decisions earlier arrived at. It may include changing governance structure, and business model to support the new strategic decision, knowledge management and assets co-specialisation activities or processes. Many scholars e.g. Helfat & Peteraf (2015), Martin (2011) share Teece's (2007; 2012) abstraction pointing out that all three activities involve entrepreneurial skills and "right-brain" and thereby underscore the key role of managers in DC deployment/development.

As noted in chapter one, one stream of research in which the variation in managers' skills in implementing the above set of functions is emphasised is the dynamic managerial capabilities view. According to Helfat et al (2007:46) "without considering whether and how executives act in ways that… modify resource base, …discussions of dynamic capabilities risks remaining in the abstract, removed from the lifeblood of organisational life". As Schilke et al (2018) recently observed, to date, research with focuses on analysis at the organisational processes level remains the most common, and there have been interestingly calls to increase focus on DMC given its focus on the managerial processes. This study focuses on the DMC concept but before delving into the review of literature on the concept, it is useful to examine other key themes about the DCV in its broader context.

3.11 DCs and its value are context/path dependent

Another consensus gleaned from literature is that 'DCs and their value are context-dependent' (Helfat et al, 2007:7; Barreto, 2010). Much of the discussions have relied on 'contingency theory' (e.g. Barreto, 2010, Peteraf & Reed, 2007) to argue that internal and external factors in terms of 'organisation, and its market environment' character can act as a contingent enabling or inhibiting factors to DC development and deployment (Ambrosini & Bowman, 2009:39). It means that the condition of (e.g. country, industry or institutional environment) and time within which an organisation operates or seeks to exercise DC matters, and should be an important consideration (Dixon et al, 2010; Peteraf & Reed, 2007; Salvato, 2003; Sirmon & Hitt, 2009; Schilke, 2013; Teece et al, 1997; Winter, 2003; Zott, 2003).

Another emphasis in this regard is environmental change. Scholars have referred to various types of change relative to the purpose of DC and its contextual relevance. For example, Eisenhardt & Martin (2000) talked about the relevance of DCs in stable, moderately changing, and high-velocity environments. Schreyöegg & Kliesch-Erbel, (2007) and Schilke (2014a) all believe that the level of stability or volatility in an environment acts as mediators of the value, character, and efficacy of DCs in practice. Winter (2003) explained that the pace of change in an environment acts as a contingency influence on the decision to develop and deploy dynamic capabilities.

Other recent contributions e.g. Schoemaker et al (2018) have amplified the conversation about context by discussing the notion of the "VUCA world". VUCA is an acronym for volatility, uncertainty, complexity, and ambiguity, used to describe the extent of turbulence or degree of change in an external business environment (Schoemaker et al 2018; Pandit et al, 2018). Under such environmental conditions, a consistent message by scholars is that implementing DC generally poses a significant challenge (Day & Schoemaker, 2016; Pandit et al, 2018; Teece, 2017). However, the pace of change often affects firms differently especially as moderated by managerial cognition e.g. perceptions and interpretation of reality, and sometimes can be limited by ineffective perception rather than the reality itself (Ambrosini & Bowman, 2009; Aragon-Correa & Sharma 2003; Helfat & Peteraf, 2015; Schoemaker et al 2018; Teece, 2012).

From the internal environment context, another aspect to this perspective relates to the 'organisational path' (Teece et al, 1997). Scholars consider that organisational paths or historical trajectory including established routines of an organisation often have enabling or constraining effect on development and deployment of dynamic capabilities (Teece et al, 1997; Schreyöegg & Kliesch-Erbel, 2007). It is considered that bygone are rarely bygone (Helfat & Martin, 2015) and experience, whether positive or negative, together with established norms can shape the implementation of DC (Ambrosini & Altintas, 2019; Helfat & Peteraf, 2015).

3.12 Dynamic Capabilities and Competitive Advantage

Another consensus in literature is that there is a potential connection between DCs and competitive advantage enjoyed or otherwise by firms (Teece et al, 1997; Eisenhardt & Martin, 2000; Helfat et al, 2007). However, the linkage between DCs and competitive advantage has been a subject of split opinions between scholars who posits a direct relationship between DC and competitive advantage and those suggesting only an indirect relationship (Ambrosini & Bowman, 2009:30; Helfat et al, 2007; Peteraf et al, 2013).

In this regard, Teece et al (1997:515) for example suggests that "We refer to this ability to achieve new forms of competitive advantage as dynamic capabilities". This comment evidently indicates a direct linkage. They believe that 'DCs also leads to SCA but that depends on how smart other competitors are to copy the DCs deployed' (Teece et al (1997: 516). Makadok (2001) also aligned with this position by arguing that DCs are causal mechanisms by which firms generate economic rent; using rent as an analogy for competitive advantage. Article by Teece (2007) reaffirms this position by arguing that DCs are the 'basis of enterprise-level competitive advantage in regimes of rapid technological change' (p.1341). In other words, DC "lies at the core of enterprise success and failure" (Teece, 2007:1320).

However, the alternative position has been that DCs are necessary but do not always lead to or guarantee competitive advantage (Eisenhardt & Martin, 2000; Zott, 2003; Zahra et al, 2006; Helfat et al, 2007). Scholars who share this position believe that DCs does not guarantee competitive advantage because DCs exhibits commonalities across firms

(Eisenhardt & Martin, 2000; Helfat et al, 2007). Rather, "competitive advantage lies in the unique resource configurations that managers build using dynamic capabilities, not in the capabilities themselves" (Eisenhardt & Martin, 2000:1117). Secondly, scholars sharing this position also believe that not every change is useful, and actually that the "misapprehension of the state of nature or misuse of the dynamic capabilities can undermine results" rather than enhance it because DCs are costly (Zahra et al, 2006). To that extent, to directly link DC to CA has been described as rather tautological (Priem & Butler, 2001; Helfat et al, 2007; Arend & Bromiley, 2009), or mildly put an "unsatisfying tautology" (Zahra et al, 2006).

By juxtaposing these opposing viewpoints, previous review articles e.g. Barreto (2010) agree that the indirect linkage between DC and competitive advantage indeed "holds the most promise" and deserves more appreciation (p.275-6). Augier & Teece (2009) admits that "the possession and employment of dynamic capabilities provides the business enterprise a chance to generate superior profitability over the long run" (p.412). It is conceivable that "chance" as used by Augier & Teece (2009) implies that it is only a possibility, not a guarantee for competitive advantage. Helfat et al (2007) proposed severing direct linkage between DC and SCA. In other words, DCs are firstly about strategic change, which in turn may or may not lead to SCA (Helfat et al, 2007; Zahra et al, 2006; Helfat & Peteraf, 2015).

In light of the above, this study aligns with Eisenhardt & Martin's (2000) position that how DCs may be "a source of competitive advantage over time lies only by using them sooner, more astutely, and fortuitously than competitors" (p.1117). As Zott (2003) suggests, the effect of DCs deployment can be mediated by the timing of the resource deployment to affect adaptive change, the cost, and learning from such resource deployment. This means that the performance of these activities in ways that may lead to the desired outcome largely hinges on the actors' efficacy (Helfat et al, 2007; Teece, 2012; Salvato & Vassolo, 2018) – a central thesis in DMC (Adner & Helfat, 2003). Although the discussion thus far already notes some criticisms associated with the DC, the succeeding section captures the criticisms more comprehensively.

3.13 Criticisms and debates associated with DCV

According to Helfat & Winter (2011:1244), "important concepts rarely have edges that are entirely sharp". DCV is no different. Scholars have also observed that constructive criticisms are often beneficial for any theory especially those in their development stage like DCV (Williamson, 1999; Helfat & Peteraf, 2009). Previous review articles (e.g. Barreto, 2010;

Peteraf et al, 2013; Di Stefano et al, 2014) all acknowledge that criticisms attributed to DCV are now contributing towards the development of a stronger DC construct. This study also reflects on the criticism attributed to DCV, and improvements made thus far to show what makes empirical research like this one, a worthwhile endeavour. Their discussion is next.

Inconsistent definitions and tautological views

One of the most significant sources of criticism against the DCV is about, inconsistent definitions. Scholars argue that the different terms used to describe DCs are vast and inherently confusing, overlapping and in some instances, outright tautology (Zahra et al, 2006; Schreyöegg & Kliesch-Eberl, 2007; Arend & Bromiley, 2009). According to Arend & Bromiley (2009:78) "scholars seem to be giving dynamic capabilities label to very different constructs; …thus raises the question, how should researchers identify firms with dynamic capabilities". Scholars consider that this use of inconsistent terminologies makes it difficult to understand what they are and how they can be used in actionable decision-making (Pavlou & El Sawy, 2011).

However, Helfat & Peteraf, (2009) responded to this charge, and to Arend & Bromiley (2009:93) in particular by arguing that 'the various terminologies used to describe DCs are a reflection of the complexity of the phenomenon and because it is still in its early stage of development'. Arguably, Helfat & Peteraf's (2009) response is more or less admissive of this charge. However, after re-stating DC as "the capacity to create, extend or modify an organisation's resource base" (Helfat et al, 2007: 4) as adopted by this study. The literature shows that scholars have voiced that the issue of unclear definition and tautology has been relatively addressed (Peteraf et al, 2013, Schilke et al 2018) because the definition is precise and sensible enough to support further developments (Easterby-Smith et al, 2009).

Vague and unresolved measurement approach

Another charge against the DCV was that the concept is vague and difficult to assess due to its unresolved measurement model (Eisenhardt & Martin, 2000; Kraatz &Zajac, 2001; Helfat et al, 2007; Arend & Bromiley, 2009; Pavlou & El Sawy, 2011). In Kraatz & Zajac's (2001) opinion, the DCV is "vague and elusive one which has thus far proven largely resistant to observation and measurement" (p.653). Differently put, they can hardly be observed and empirically proven (Burisch & Wohlgemuth, 2016) and thus an 'elusive black box' (Pavlou & El Sawy, 2011) without a commonly clear measurement construct (Wang & Ahmed, 2007). Eisenhardt & Martin (2000) however responded to this charge by arguing that DCs are identifiable. They list examples of DCs to include new product development, decision-making, resource allocation, knowledge creation routines, alliances, and acquisition.

Other scholars suggests that DCs can be assumed where congruence with change in the environment is influenced and empirical result achieved in terms of e.g., improved efficiency, adaptation, competitive survival or success in an environmental context is provable (Zollo & Winter, 2002; Peteraf & Reed, 2007; Teece, 2007; Augier & Teece, 2009). Helfat et al (2007) theorisation appears to have elicited most support. They proposed two intermediate measures for dynamic capabilities, namely, technical fitness and/or evolutionary fitness (Helfat et al 2007). Technical fitness refers to how well a DC performs its intended function, while evolutionary fitness refers to 'how well a DC match the context in which the organisation operates' relative economic outcomes.

DCs are also depreciative

Scholars also argue that DCs akin to VRIN resources may quickly depreciate in terms of value (Eisenhardt & Martin, 2000:1105; Narayanan, et al, 2009) and if unused (Helfat et al, 2007; Helfat & Peteraf, 2009). DCs can also depreciate because of their equifinality (Eisenhardt & Martin, 2000) and as the case may be, go out-of-fashion due to changes in the business environment (Helfat, et al, 2009). Not only that, it is also argued that the 'dark side of capabilities' is that they may even become counterproductive or liability especially when not regularly monitored (Winter, 2003; Schreyöegg & Kliesch-Erbel, 2007:916). This means that DCs in itself must continue to be honed even as they are deployed in order to ensure the value of DCs are sustained in the face of environmental changes. How DC may be continuously developed remains the big question (Dixon et al, 2010; 2014).

DCs does not guarantee SCA

As earlier mentioned, another key argument against the DCV is that DCs does not guarantee competitive survival/advantage let alone their sustenance over time (Eisenhardt & Martin, 2000; Helfat et al, 2007; Ambrosini & Bowman, 2009). The initial intent of Teece et al (1997) was to address how firms can sustain competitive advantage especially in a rapidly changing environment (Burisc & Wohlgemuth, 2016). Section 3.12 above already highlights the comments by Teece and his colleagues (1997) in this regard. However, Eisenhardt &

Martin (2000:1105) countered this view by arguing that in high-velocity environments, 'DCs are highly experiential and a fragile process with less-predictable outcomes'.

Other scholars expanded on Eisenhardt & Martin (2000) by arguing that DCs sometimes could lead to no or even regrettable outcomes if unused, deployed incorrectly/untimely (Zott, 2003; Zahra et al, 2006; Narayanan et al, 2009). For example, Danneels (2011) found that untimely resource cognition and adaptation to new age typewriters contributed to the demise of Smith Corona. DCs are only potential sources of new strategies and efficiency that if well deployed could lead to competitive advantage (Eisenhardt & Martin, 2000; Zahra et al, 2006; Helfat et al, 2007). Therefore, whether firms would derive no advantage, temporary advantage or sustainable advantage depends on how astute, quickly and effectively the DCs are deployed (Eisenhardt & Martin, 2000; Zott, 2003; Helfat et al, 2007; Ambrosini & Bowman, 2009).

Limited empirical evidence/grounding

Notwithstanding the impressive flow of research interest on DCV (Barreto, 2010), scholars have consistently argued that their empirical support remains limited (Ambrosini & Bowman, 2009; Pablo et al, 2007; Easterby-Smith et al, 2009). Ambrosini & Bowman (2009) articulated three reasons for this situation. First, they note that theoretical work on DC did not start until Teece et al (1997). Secondly, they also think it is because scholars have specified dynamic capabilities poorly such that it was difficult for interested new researchers to know exactly what to look for. Thirdly, they agree that DC is a concept that is hard to observe or has proven hard to measure. Helfat et al, (2007) acknowledged that core DC contributions such as Teece et al (1997), Teece (2007), Eisenhardt & Martin, (2000), and Winter (2003) have all used illustrative examples rather than empirical data objectively gathered to understand the framework. And indeed, till present, conversation in literature continues to emphasise the need to focus on how to achieve consensus and stronger development of the concept through empirical research (Pablo et al, 2007; Ambrosini & Bowman, 2009; Vogel & Güttel, 2013; Day & Schoemaker, 2016; Schilke et al, 2018; Salvato & Vassolo, 2018).

Methodological limitations

Empirical research on DCV varies regarding the research design and methodologies employed (Erickson, 2013) as well as scholars' position about the more useful method. Whereas scholars e.g. McKelvie & Davidsson (2009) suggest that, quantitative research methods are suitable for studying DC. Others such as Ambrosini & Bowman (2009) questioned the bias towards quantitative research, arguing that such methods are unsuitable and often short of the details required for advancing the knowledge of DCV from its current state of development. In particular, scholars argue that many underlying mechanisms related to DC and their linkage with firm performance are causally ambiguous (Pavlou & El Sawy, 2011; Ambrosini & Bowman, 2009) intractable and may remain abstract with quantitative studies being used (Danneels, 2008). To address this problem, Ambrosini et al, (2009), Easterby-Smith et al (2009) in their extensive reviews have called for researchers to try to employ most suitable research methodologies that would help to uncover better understanding about processes of DC development and deployment in practice. This is also an important consideration in this research.

Overconcentration on organisational analysis

One more criticism discussed here partly inspires the focus on this study. This charge according to Adner & Helfat (2003), Helfat et al (2007), Ambrosini & Altintas (2019) and Salvato & Vassolo (2018) is that DC research has largely focused on the organisation analysis rather than individual managers who drive DC through strategic decisions making. Scholars argue that capabilities (whether dynamic or operational) works through individuals that perform them and strong DCs are impossible without the essential role of the managers (Schoemaker et al, 2019). As Helfat et al (2007:46) unequivocally declares, "Without considering whether and how executives act in ways that… modify resource base…discussions of dynamic capabilities risks remaining in the abstract, removed from the lifeblood of organisational life". Researchers are therefore being redirected to research effort focusing on understanding what, and how managers deploy and develop capabilities (Ambrosini et al, 2009; Ambrosini & Bowman, 2009) allowing them to address strategic problems facing their firm (Pisano, 2015) especially under conditions of environmental shifts and volatility (Schoemaker et al, 2019).

To contribute to the understanding of DCs deployment broadly referred, the review in this chapter thus far highlights a number of salient observations and critical considerations. First, DC deployment and development involves both organisational and managerial processes (Teece, 2018; 2017). However, given that, DCs are a multi-level construct, the question of how do the different levels interact still requires better understanding (Eggers & Kaplan, 2009; Ambrosini et al, 2009) in novel contexts (Easterby-Smith et al, 2009). Then, secondly, is the question of what should be the appropriate level of analysis that would best underpin an empirical investigation to bring new insights on DC (Mackay, 2010)? Thirdly, what philosophical perspectives could support the investigation of a multi-level construct and the specific level of interest (Mackay, 2010; Rothaermel & Hess, 2007)?

Insights from this review imply that the question of the appropriate level of analysis is fundamental in the DMC idea briefly discussed in this chapter and therefore adopted. This study also holds that an answer to the question of what may be an appropriate philosophical perspective for the study of a multi-level construct such as DMC evokes the critical realism philosophy (Sayer, 1992; Bhaskar, 2008) addressed in chapter four. Discussion continues in the next section with an overview of the DMC concept and thereafter the research framework.

3.14 Dynamic Managerial Capabilities (DMC): Definition & Overview

This study focuses on dynamic managerial capability. Adner & Helfat, (2003:1012) introduced the concept of DMC, defined as the ability of managers' to integrate, build, and reconfigure their organisation's resource base, mainly to highlight the central role of corporate-level managers or decision-makers on DC in practice. This definition notably builds on Teece et al (1997) definition of DC, and an idea consistent with Rosenbloom's (2000) thesis. Peteraf & Reed (2007) thereafter defined DMC as the "exercise dynamic capability for maintaining fit over changing conditions" (p.1107). Helfat et al (2007:24) also built on their definition of (organisational level DC), defining DMC as "the capacity of managers to purposefully create, extend, or modify the resource base of an organisation". Based on these definitions, argument in literature implies that DCs are a latent process (Tai et al 2019) without the impact of managers and as the source of its dynamism (Martin & Bachrach, 2018; Salvato et al 2018).

In line with the above definitions/views, scholars have considered DMC as a "direct analogy" (Adner& Helfat 2003), typology, subunit or an aspect of dynamic capabilities view (Ambrosini & Altintas, 2019; Helfat & Martin, 2015; Helfat et al, 2007, Teece 2018) in which the unit of analysis is managers (Schilke et al, 2018). In their review article, Helfat & Martin (2015) explains that DMC is distinct only because of its focal attention on the significant role of managers on DCs development and deployment. Managers are fundamental to the process of change and DMC is the mechanism for ensuring coherence between organisational capability and environmental change (Correa et al, 2019) and improved performance by the firm (Kor & Mesko, 2013) especially when the environment is in the state of flux (Fainshmidt et al 2017).

Helfat et al (2007) suggests that another way to think of DMC is in terms of asset orchestration - described as decision making involving ‘search and selection, opportunity identification, inventing and implementing new business models, assets alignment, complementary and co-specialised assets accessing, and making astute investment choices’ (p.25). The asset orchestration idea is expounded in the idea of resource orchestration by mainly integrating asset orchestration and resource management (Sirmon et al, 2011). Martin & Bachrach (2018:29) adds that “…manager’s capability to make novel resource decisions is inseparable from the organisation context within which the manager is situated”. And when expressed in these terms, it means that DMC can be considered as a series of action reflecting, a pattern of managerial behaviour that are needed to create and support a resource-based advantage (Huy & Zott 2019) and a process approach to adapting to dynamic environment (Schriber & Lowstedt, 2018) or competitive survival, through better strategic decisions making (Beck & Wiersema, 2013).

For clarity, this study also follows Helfat et al (2007) DMC abstraction because it specifies what the DMC does (i.e. asset orchestration), how it does it, and who does it. As with the baseline definition of DC, Helfat et al (2007) definition also avoid tautology, and any attempt to limit the constructs sphere of utility. Schilke et al (2018) recent review acknowledged the contribution of Helfat et al (2007) abstraction in addressing the concerns over tautological definitions, which arguably affected the understanding of the Teece et al (1997) original DC conception. It is also considered that following Helfat et al’ (2007) understanding is good for consistency. In practice, strong DMC are related to entrepreneurial, decision making, and resources management skills (Teece 2007; 2012; Helfat et al, 2007) and particularly important because they are central to organisational performance (Ambrosini & Altintas, 2019). According to Adner & Helfat (2003), there are three underlying drivers of DMC, namely: Managerial Human Capital (MHC), Managerial Social Capital (MSC) and Managerial Cognition (MC). Figure 4 below is illustrative.

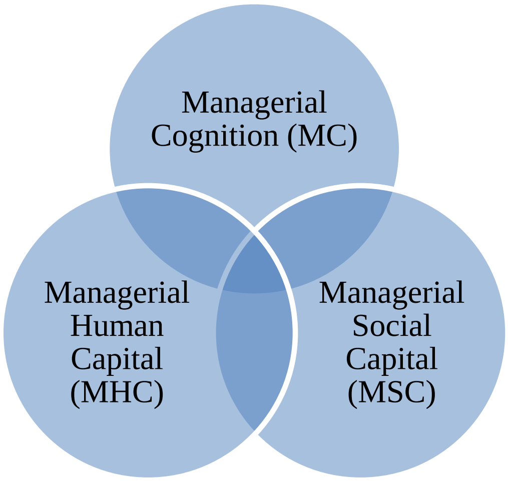


Figure 4 The Underlying drivers of DMC (adapted from Adner & Helfat, 2003).

3.14.1 Managerial Human Capital

According to Adner & Helfat (2003), the effective implementation of DMC or otherwise partly depends on managerial human capital (MHC). MHC consists of learned skills, knowledge and experiences of individual managers in an organisation (Adner & Helfat, 2003). Scholars agree that managers naturally draw from the depth and breadth of their individual-life, geographical, education and professional experiences and learning to conduct their affairs (Adner & Helfat, 2003; Kor & Mesko, 2013; Beck & Wiersema, 2013; Martin & Bachrach, 2018). And because managers have different trajectories and levels of education, training, experience, skills, and learning (Castanias & Helfat, 2001; Tai, Wang & Yeh, 2019). Such differentials often reflect for example on the extent of their capacity to sense and seize opportunities via decision making, and on how and when they may select/reconfigure organisational resource base (Martin, 2011; Helfat & Martin, 2015). Martin (2011) for instance demonstrates that MHC reflected in the way that general managers in high dynamic software industry worked episodically in teams to achieve organisation's goals. See also McKelvie & Davidsson (2009). However, there remains little empirical understanding of e.g. how general vs. firm-specific MHC influence DMC (Martins & Bachrach, 2018).

3.14.2 Managerial Social Capital

Adner & Helfat (2003) considered managerial social capital (MSC) as another important driver of DMC. Managerial social capital refers to "the goodwill available to individuals or groups. Its source lies in the structure and content of the actor's social relations. Its' effects flow from the information, influence, and solidarity it makes available to the actor" *(*Adler &

Kwon, 2002:23). MSC includes the capacity of a manager to access support through internal and external, ties, networks of relationships and connections available to him/her (Kor & Mesko, 2013; Adner & Helfat, 2003). Scholars consider that such relationships are valuable and can be used by a manager to for example access to external financing their firm may need to operate with; obtain information about practices in other firms (Adner and Helfat, 2003), facilitate strategic decisions towards strategic change (Helfat and Peteraf (2015) and business success in a given context (Kor & Mesko, 2013).

Beck & Wiersema (2013) for instance, documents how Reid Hoffman (co-founder of LinkedIn) by being a director/partner in different internet-based new start-ups including Mozilla, Zynga, and Greylock Partners exploited his experience and personal connections with other internet businesses within the industry to support each of the new start-ups. Similarly, internal sources of MSC may help to facilitate adjustments in e.g. personnel, organisational structure, and physical assets as well information from colleagues, which can relevant to sensing opportunities and threats and important reconfigurations (Martin & Bachrach, 2018; Helfat & Martin, 2015). It means that under changing business environment, MSC can enable the firm to leverage both internal and external relationships and goodwill to facilitate important and timely resource base decisions and strategic change required for business survival and success (Cao, Simsek & Zhang, 2010; Tai et al, 2019). However, according to Helfat & Martin (2015), conceptual and empirical research with a focus on the impact of MSC remains limited.

3.14.3 Managerial cognition (MC)

The third driver theorised about in the DMC construct is managerial cognition. According to Adner & Helfat (2003:1021), managerial cognition refers to the "managerial beliefs and mental models that serve as a basis for decision making". It comprises knowledge structure and assumptions about opportunities, the future, alternatives causes of action, and consequences of the alternative causes of action that altogether shape corporate decisions (Adner & Helfat, 2003; Harris & Helfat, 2013). Scholars consider that managerial cognitive capabilities are particularly critical for DMC because it 'influence the manner in which managers frame problems and search for solutions' (Tripsas & Gavetti, 2000; Helfat & Peteraf, 2015). It also determines the manner in which a manager for instance, conceives their firm's resource base (Danneels, 2011), their business environment (Ambrosini & Bowman, 2009), interpret information and events (Beck & Wiersema, 2013) and thereby respond to opportunities and threats in the business environment (Eggers & Kaplan, 2009; Ambrosini & Bowman, 2009 Peteraf & Reed, 2007) through strategic changes (Helfat & Peteraf, 2015).

Other scholars also relates cognition to emotional intelligence, (Hodgkinson & Healy (2011) framing (Raffeaelli, Glynn & Tushman, 2019), and regulation (ER) (Huy & Zott (2019) about how managers mobilise resources and capabilities. Because MC shapes managerial perceptual, rationality and definition of their operating space (Martin & Bachrach, 2018), vital resource base (Danneels, 2011), and strategic decision making about whether, when and how change processes can be implemented (Koprax & Konlenchner, 2014; Helfat et al, 2007). Scholars suggest that cognitive capabilities can be linked to an organisation's dominant logic (Kor & Mesko, 2013) strategic intelligence, change and competitive survival ultimately (Levine et al, 2017; Teece, 2012; Helfat & Martin, 2015).

However, contributing to the role of cognition DMC, Helfat & Peteraf (2015), Eggers & Kaplan (2013), Martin & Bachrach (2018) and Huy & Zott (2019) all laments that managerial cognition despite its relevance for strategic decisions, change and firm success remains perhaps the least understood aspect. In particular, scholars have called for more, empirical research about managerial cognition (e.g. Danneels, 2011, Eggers & Kaplan, 2009, 2013; Helfat & Peteraf, 2015; Ambrosini & Altintas, 2019).

3.15 Intertwined Nature of DMC in Practice

As figure 4 above illustrates, a further viewpoint in DMC literature is that, although that managerial human capital, managerial social capital, and managerial cognition are different as explained already. In practice, the three drivers are intrinsically interrelated and having mutual influence in managerial decisions (Adner & Helfat 2003; Badrinarayanan et al, 2019). Scholars posit that those 'three drivers operate in an interactive way to influence managers' dominant logic, i.e. the way in which top managers conceptualise their business and make critical resource allocation decisions in their organisation' (Kor & Mesko, 2013:235). The three drivers can act together to shape the management's decision to invest or give attention to e.g. emerging technologies (Kaplan, 2008; Eggers & Kaplan, 2009), improvement on extant resources (Danneels, 2011) and in response to changes in the external business environment (Sirmon & Hitt, 2009; Peteraf & Reed, 2007; Martins & Bachrach, 2018).

Beck & Wiersema (2013) for instance explained that all three components derive from one's past-experience and innate abilities. The authors went on to provide example by suggesting that a manager's work experience in a given industry is likely to provide not only the specific industry experience and skills-set (managerial human capital) but also lead to developing important relationships with people in the industry (social capital) and a change in one's perspective (managerial cognition) (Beck & Wiersema, 2013). Badrinarayanan et al (2019:32) agrees that internal/external MSC enables MHC and MC in making decisions.

As mentioned hitherto, analysis of DCV from a managerial perspective or micro-level has thus far received lesser attention in research (Beck & Wiersema, 2013; Helfat & Peteraf, 2015; Kor & Mesko, 2013) compared to the broader DCV (Helfat & Martin, 2015). And indeed, while more recent contributions e.g. Ambrosini & Altintas (2019) and Martin & Bachrach (2018) have echoed this observation and now helping to increase the conceptual understanding of the influence of managers in DC development and deployment, however, the empirical evidence remains limited (Helfat & Martin, 2015; Huy & Zott, 2019; Schilke et al 2018). Until present, only a few highly ranked empirical articles featuring dynamic managerial capabilities as title, keywords, or within its abstract exists.

Correa et al (2019) based on their study which focused on scale development and validation for DMC suggests that the reason is that there has been a lack of reliable instruments to measure DMC and empirical works on the concept did not start until 2011. MacLean, MacIntosh & Seidl (2015:340) also attributed this to "inherent limitation of the way in which human actions have been conceptualised".

Until recently too, only three review articles (i.e. Helfat & Martin, 2015; Eggers & Kaplan, 2013; Ambrosini & Altintas, 2019) with DMC as title/keyword appearing in top-ranked journals were located. This further highlights the paucity of sufficient research on DMC compared to the DCV to warrant a dedicated review. However, similar to Helfat & Martin (2015) approach, a reflection on empirical contributions is next beginning with the few articles by 2015, directly addressing evidence of the influence of DMC deployment to firm performance and thereafter, other articles with contributions and more recent DMC studies.

3.16 Empirical Studies highlighting dynamic managerial capabilities

By the way, it is notable that Adner & Helfat (2003) seminal theorisation was also based on an empirical study. Adner & Helfat's (2003) quantitative study focused on corporate effects on dynamic capabilities in 30 US major petroleum companies' performance from 1997-2007. Their study found that differential in decisions making by top executives about and when to commence downsizing in the US petroleum industry significantly led to 4.5% cumulative variance of the firms' performances. They concluded that such variances in both decisions and in economic performances thereof are consequences of dynamic managerial capabilities.

In other words, aggregate managerial human capital, social capital, and cognition determines managerial strategic choices, which in turn may lead to differentials in firms' performances under conditions of environmental changes. As mentioned, they called for more research into the theoretical model in order to provide a 'fuller understanding of DMC, and how they contribute to the time-varying corporate effect' (p.g.1023).

Peteraf & Reeds (2007) examined the effects of regulatory constraints and their relaxation on managerial discretion and internal fit in the US airline industry. Using a quantitative research method involving counterfactual analytical technique, they found that 'fit trumps best practice' and that the ability to achieve fit under changing environmental conditions expresses the DMC required for adaptive organisational change (pp.1106). Their study suggests that it will be necessary to examine whether organisational responses to institutional changes; in terms of how individual firms manage their internal alignment, have differential efficiency consequences, and to explore how managers develop and exercise the DC for maintaining fit over changing conditions (p.g.1107).

Sirmon & Hitt (2009) study of the US regional banks from 1998 to 2002, found that 'firm performance suffers when manager's investment decision deviates from the norms of rivals for both human and physical capital but on the other hand, the performance is enhanced by making congruent resource investment and deployment decisions as opposed to maximizing either decision independently' (p.g.1375). Their research concludes that "significant investment in resources that are not deployed effectively can actually reduce rather than enhance performance" (pg. 1391). This study called for empirical investigations on how managers effectively deploy resources to influence quality performance.

Martin's (2011) investigation of six software firms in the US found that dynamic managerial capabilities enabled the general managers to work episodically as a team to sense and seize business opportunities through quality decisions, improved information flow, reduced barriers, and innovation. The author called for future research that could further explore DMC at different management levels, and in periods of significant changes. In particular, the authors believe that consideration of DMC at the middle management levels could yield fresh insights regarding the process of strategic change.

Koprax & Konlechner (2014) based on case-study data from two high-tech start-up firms in an unnamed industry/geographic context examined how top management teams' cognition and managerial decisions making facilitates adaptation and proactive change. The study shows that the diversity of dynamic managerial capabilities cognitions, configuration and assets orchestration practices of senior executives yielded the absorptive capacity of the top management teams, which enabled the firms to drive proactive change, rather than always reacting to environmental pressure. The study calls for more empirical studies to further explore details of the linkage between strategizing (which involves managerial cognition) and execution, which involves (organisational routine).

From the above contributions, observation indicates that three of those studies are quantitative research while two are qualitative. Each of those studies has been conducted based on data from developed economies. Thirdly, each highlights the importance of cognition DMC as the principal ingredient of strategic decisions making amongst executive managers in relation to their business environment albeit somewhat implicit in Martins (2011). However, despite limited empirical contributions, comprehensiveness is often important when assessing the literature and one should aim to be robust. Drawing from the idea applied by Helfat & Martin (2015), the researcher extended review to other empirical papers that have not directly used DMCs as title but also provides considerable insights reflecting managerial level DCs. For example, Rosenbloom (2000) significantly highlights the impact of leadership in the DC construct but does not particularly use the term DMC.

By extending the review to those articles; although it was possible to review more articles, parsimony remains necessary, hence, it is not possible to elucidate all details of each article here. Table 3.5 below provides a synthesis of 57 empirical contributions with useful analysis related to DMC and some depth on the cognitive aspect. The table highlights the author/date of publication, the research context, the key findings, and suggestions for future studies.

Author(s)/date	Research method & context	Table 3. 5 Summary of findings/key massage(s)	Areas for future research and development
Helfat (1997)	Quantitative/US petroleum industry	Identified the important role of complementary technological knowledge, and R&D in DC accumulation and deployment.	How firms identify and promote opportunities and asset sharing
Rosenbloom (2000)	Qualitative/ US electronic industry (a case of NCR)	CEO's have DCs when they can influence strategic change. How top management interpreted NCR business negatively affected their transition to computers but positively influenced their transition after a change in leadership.	Need to examine the fortune of firms under conditions of change in technology and innovations
Tripsas & Gavetti (2000)	Qualitative/US/the case of Polaroid	Cognitive representations influence the way managers frame problems and seek solutions (p.1148).	"How environmental factors affect cognition and capabilities" (p.1159)
Sharma (2000)	Quantitative/ 99 oil & gas firms in Canada	Found a significant relationship between managerial interpretation of environmental issues and corporate choices/decisions.	The role of institutional forces on cognition at different stages in a firm's evolution & environmental awareness'
Martian (2001)	Qualitative/US - a single case	Demonstrates that 'different managerial decision processes are used to invest in both existing and new capabilities' (p.513)	Going beyond identifying to looking at how capabilities are managed
King & Tucci (2002)	Mixed method/ Disk industry	Incumbents can survive … because their managers use the experience to navigate market waves, despite technological and market change" (p.185)	There is a need to apply multiple empirical methods.
Danneels (2002)	Qualitative	Exploitation and exploration learning underpins new products development	Mechanisms & structures that facilitate the transfer of knowledge
Adner & Helfat (2003)	Quantitative/US petroleum firms	Differentials in top executive decisions about and when to commence downsizing was significantly related to 4.5% performance variance by firms in the US petroleum industry. Introduced the DMC concept.	Need for "fuller understanding of DMC and how they contribute to the time-varying corporate effects" p.1023
Balogun (2003)	Qualitative UK	How middle managers interpret strategic change intent helps to keep the business on-going during periods of transition	What enables or inhibits middle-level managers as change intermediaries
Kaplan et al (2003)	Quantitative/US Pharm industry	"Recognition of key environmental uncertainties …shapes certain types of enduring strategic change" (p.229)	Qualitative data source to measure the mental framing of senior managers
Lampel & Shamise (2003)	Quantitative/US	Regulatory change in Hollywood changed the industry dynamism and in turn influenced DC evolution.	Implied
Salvato (2003)	Qualitative/Italy	Firm leadership facilitates strategic evolution through a sequence of intentional recombination of a firm's core micro-strategy with new accumulated resource bundles and access to external elements.	Need to explore the concept in other national context and other contextual settings
Ethiraj et al (2005)	Quantitative/India software firms	Learning from clients and projects helped to improve the firm's software development process	where capabilities comes from or what kinds of investment in money, time and managerial effort required" (p.25)
Kor & Mahoney (2005)	Quantitative/US 60 technology firms	Manager's firm-specific experience and knowledge of resources-base positively moderates the link between R&D and market deployment intensity and economic returns on investments	Try to obtain knowledge of the link between industry, firm's resource deployment and performance
Gavetti (2005)	Simulation	Manager's cognitive representations of their strategic decisions drive organisational search and accumulation of capabilities.	How routine-based and cognitive logics of action co-exist

Gilbert (2006)	Qualitative/US	Found that 'opportunities presented by discontinuous change do not trigger organisational response until the opportunity is perceived as threat' (p.150).	How to manage the coexistence of competing frames
Cho & Hambrick (2006)	Quantitative/US airline industry	Demonstrates that the decision and commitment to deploy dynamic capabilities depends on the perception and attention of the firm's top management team about the conditions of their internal and external environment	How management team knowledge interacts, its linkage to attention on certain opportunities threats, not other
Moliterno & Wiersema (2007)	Quantitative/US	Resource divestment is managerial DC that influences the firm's performance. Argues that managers' judgment, perception, and contextual feedback are critical to dynamic capabilities deployment.	"Mechanism by which DCs operate remain somewhat less clearly specified" (p.1065).
Morrow et al (2007)	Quantitative/US	"strategic actions that use existing resources in new ways contribute to the most influential organisational recovery"	Implied
Rothaermel & Hess (2007)	Panel data over 22 years (1980–2001)	DC exists at individual, firm and network levels and altogether having compensating or reinforcing effect on innovation	Need for deeper understanding of the mechanisms driving innovation
Helfat et al (2007)	Book/narrative	DMC function is asset orchestration. CEO's mind-set (cognition) caused Rubbermaid's difficulty in adjusting to marketplace dynamics. Managers are largely been ignored in scholars thought on DC development and deployment	To investigate how DCs are developed and deployed to achieve fit under changing environmental conditions
Kale & Singh (2007)	Quantitative/US	Focuses on alliance learning processes and their relationship with firm-level success. Found that knowledge management is critical to DC	Examine whether alliance learning has adverse or declining effects
Harreld et al (2007)	Qualitative/US, the case of IBM	Success derives from a clear commitment by a firm's leadership to identify and compete in emerging markets. Managers' core function is to develop DCs.	Implied
Pablo et al (2007)	Qualitative/Canada	Leadership skills/learning helped to manage the tension between support for local experimenting and controlling DC/fit with organisational need. "Managerial skills are required in identifying, enabling and managing the use of a DC as a strategic approach" (p.703).	Develop and test the three stages DC (identifying, enabling, and managing the use of DC as a strategic approach).
Peteraf & Reeds (2007)	Quantitative/US airline industry	Managerial adjustment of fit and the achievement of fit under regulatory changing environmental conditions is DMC	How managers develop and exercise DC for maintaining fit
Nadkarni & Narayanan (2007b)	Quantitative/ 255 firms/industries	Strategic schemas including complexities and focus (attention) fosters strategic flexibility, persistence, and success	How managers use strategic schemas to make decisions
Nadkarni & Barr (2008)	Quantitative/US 7 high-velocity industries	Top management attention and causal logic in relation to industry velocity shape how strategic decisions quickly marshalled out in response to strategic change.	Other boundary conditions for the relationship between cognition and strategic responses.
Kaplan (2008)	Quantitative/US ICT industry	CEOs that paid greater attention to new optical technologies committed greater investments on them. The study also discovered that cognition can compensate when organisational level factors are lacking	More contingency analysis
Lee & Kelly (2008)	Qualitative/Korea	DC for innovation are not routines rather managerial practices related to using entrepreneurial resources, relational/decision support enabling problems solving	Further studies across other types of organisation and national context
Bruni & Verona (2009)	Qualitative/Europe	Cognition is relevant to creating and integrating market knowledge, and market knowledge helps to trigger innovations and NPD. Builds on Adner & Helfat 2003 to conceptualise dynamic marketing capabilities view.	The extent to which performance related to DMC depends on the actual alignment of beliefs among managers.

Sirmon & Hitt (2009)	Quantitative/US banking industry	Best performance results can be achieved when there is 'fit' between managerial decisions on resource investment & resource deployment.	How executives/firms manage their resources in different environments.
Capron & Mitchell (2009)	Mixed methods	Selecting appropriate sourcing/acquisition mode are key mechanisms by which firms can change when faced with capability and social issues	qualitative studies about individual rationality and firm sourcing strategies
Eggers & Kaplan (2009)	Quantitative/US	Executives who devoted more attention to the new fibre optics technology were quicker to venture into the new product market than the executives who did not. Managerial cognition reflects attention on the environment and new resources.	More studies need explore how managerial cognition works in practice.
Salvato (2009)	Simulation/Italy	Managers in Alessi based on mindfulness and focus on prior internal and external knowledge and cues to reshape existing organisational routine and structure and in turn, enhanced NPD evolution in the firm.	How individual actions shape organisational capabilities and firm performance
Laamanen & Wallin (2009)	3 Software firms	Cognition of CEO and senior management team which includes instrumental cognition, shift in management attention and managerial foresight helped to develop capabilities at operational, firm and extended enterprise levels	Research providing more understanding of managerial cognition in capability development
Narayanan et al (2009)	2 Pharmaceutical firms	Managers undertook strategic initiatives based on their own orientations and that senior managers played a key role in DC development by imprinting organisation with their specific cognitive orientation and orchestrating multilevel routine'p.25	"How replicable managerial action …accumulate to generate imitable capability" (p.38).
Kunc & Morecroft, 2010	Experiment	Demonstrates that decisions-making for managing resources (creative resource conceptualisation, and resources configuration) can lead to firm heterogeneity	More research on decision making under diverse context/ resources types
Baum & Bird (2010)	Mixed method /US	Reasoning and problem solving as "successful intelligence" (cognition) are positively related to speedy response and improvements that led to growth.	Examine cognitive strategies deployed by management as teams/ individuals
Martin (2011a)	Qualitative/US	GMs working as episodic team in business units influenced the quality of managerial decisions and actions and led to positive performance	Examine DMC at middle/lower level management
Ludwig & Pemberton (2011)	Qualitative/Russia	DC building involves managerial capability for enabling uniqueness from optimisation processes, speedy decisions making and path-dependent detachment	DC building constructs and industry-specific exercises and their limitations
Danneels (2011)	Qualitative/US	The mental representations of top management at Smith Corona in relation to 'resource cognition' (value/use) contributed to the demise of the firm.	How managers assess and understand their own resources and competences
Mitchell et al (2011)	Mixed method/US	Found that when and why managers are inconsistent/erratic with strategic decisions making are related to their metacognition	'Thinking about strategic thinking that leads to metacognition' p.695
Marcel et al (2011)	Quantitative/US domestic airline	Managers show more proclivity to retaliate when they perceive a causal link between competitive attack and their performance	Other studies linking managerial cognition to competitive response
Koprax & Konlechner (2014)	Qualitative/US High-tech firms	Absorptive capacity and decision making by top management team enabled the firms to drive proactive change rather always reacting to environmental pressure	Link between strategizing involving managerial cognition and firm routine
Maitland & Sammartino (2015)	Mixed/ unnamed African country	Examined the role of cognition of decision-makers in one inexperienced MNE in assessing a potential acquisition. Found heuristics as decision enhancing tool.	How individual-specific heuristics may evolve to firm-level heuristics
Day & Schoemaker (2016)	US/Case study/ Qualitative	Found that successful sensing was underpinned by "peripheral vision (which helped in detection of weak signals from boundaries of the business) and vigilant learning related to "heightened state of awareness and curiosity, characterized by alertness, curiosity, and a willingness to act on partial information"	"The contingent nature of DC as well as the crucial role of leaders … in how organisations can and should adapt when facing deeply uncertain futures"

Vergne & Depeyre (2016)	US/mixed method	Found that neither DCs nor superior cognition need be present in order to adapt. Identified four types of adapters: anticipative, responsive, opportunistic and decisive, as well as a possibility of non-adaptation	How cognition variables drive the choices to reconfigure assets externally vs. internally
Roberts et al (2016)	UK/Survey	Investigated the extent to which managerial IS use behaviour: routine use and innovative use influence a manager's volume/diversity of ideas for organisational innovation. Innovative IS use is related to idea volume and idea diversity.	Investigation into how IS use shapes the type of opportunities a manager sense
Buil-Fabrega et al (2017)	Survey of 339 managers in Spain	Found that IDMC helps managers to be alert, to quickly detect changes in times of unpredictable changes in the market and further promotes a greater social and environmental commitment enabling business sustainability	Further empirical research to confirm the findings
Fainshmidt et al (2017)	Empirical/Quantitative (854 MNEs)	Managers in more resource scare setting may increase resilience by not pursuing systematic activities to extract more value from resource configuration – they may be better of relying on ad hoc change (p1097). DMC may be an evolutionary outcome of operating in a dynamic task environment	Studies focusing on DMC during the upswing years.
Levine et al 2017	Experiment	Argues that strategic intelligence (SI) is crucial if the right choices hinge on the action and reaction of competitors. SI is related to how cognition/DMC affects firm performance and may explain the puzzle of strategy	How strategic intelligence can be learned? And how SI migrate from individuals to team and organisation?
Dominguez-CC & Barroso-Castro (2017)	Qualitative/10 firms listed on Spanish SE	Found that TMT reorganisation is a sufficient condition for strategic change, not necessarily having to dismiss a member of TMT	Identify more variables that may bring about strategic change
Pandit et al (2018)	Qualitative/ India Auto Industry	Examined how Disruptive Innovation manifestation in emerging economies is influenced by capability for DI at the firm level. Found that VUCA environments helps in identifying disruptive opportunities in emerging economies	Research to explore other emerging economies
Schriber & Lowstedt (2018)	Qualitative/ Finland, Sweden, Italy, and the US	Organisational structure and decision-making practices are related to the rate in which firms are able to renew, retrench or retire resources. 'A culture allowing easy communication and openness to sharing or lending assets between functions and hierarchy layers are important for successful asset orchestration' p.316	Implied
Huy & Zott (2019)	Qualitative/UK	Differentials in managers' attention to ER influence the extent to which they can mobilise resources to pursue market opportunities. Managers in addition to their own emotion to deal with challenging situation, also have to pay attention to the emotion of other stakeholders	Research about other emotion-related managerial behaviour could constitute DMC; whether they are innate or acquired?
Correa et al (2019)	Brazil/Mixed method	Focused on scale development to measure DMC, validate Adner & Helfat (2003) abstraction, further discovered that DMC includes relationship network.	Further research on relationship network
Tai et al (2019)	Taiwan/Quantitative – Survey	Identified four IS assets as antecedents of IS ambidexterity (DMC), namely: understanding business situation, acquiring new technology skills, interacting with users, and flexible technology	Research with broader scope; whether DMC of the organisation influence IT-Business alignment

3.17. Key findings and themes from the empirical articles reviewed

Based on the assessment of the above empirical works, this section briefly highlights important findings related to the consensus in knowledge and gaps in DMC literature. The first observation is that, while the DC still has many theoretical oversights, one consensus is that the role of managers especially their cognition, mental model or knowledge structure are crucial. However, there remains a paucity of empirical research explaining the influence of DMC in the context of developing economies/countries. A concern earlier on expressed by Athereye (2005) in his study of India software industry, and recently by Maitland & Sammartino (2015) following their study of acquisition in an unnamed African country. So, not only that there remains the need for DC and DMC research in different types of firms (Barreto, 2010) but also studies focusing on different national context (Easterby-Smith et al, 2009; Lee & Kelly, 2008) or regions e.g. Africa, because of the crucial role such contexts can play in shaping cognition and organisational fate (Salvato, 2003; Tripsas & Gavetti, 2000). This gap deserves attention. Powell et al (2011) and Fainshmidt et al (2017), Pandit et al (2018) are all reminiscent of recent recommendations for future research to examine DMC through empirical data from emerging economies e.g. Nigerian context.

Secondly, one commonality observed is about the domination of emphasis on managerial cognition aspect of DMC to firm strategic actions and heterogeneity. Studies differently show the significant influence of cognition on decisions making about resource base, environment and organisation path from positive and negative outcomes (e.g. Danneels, 2011, Tripsas & Gavetti, 2000; Schriber & Lowstedt 2018; Huy & Zott, 2019). Aggregate perspectives from the above empirical contributions mainly highlight how managers perceive, interpret and give attention to issues in their environment and/or resource base, emotional intelligence and regulation in and through problems solution that mediates the performance differentials. Discussion about these observations has been kept brief here because the explanation about the research framework developed for the study also expands on the key themes/constructs.

In all, the key message as Eggers & Kaplan (2009; 2013) maintain implies that managerial cognition represents a very useful lens for analysing and understanding DMC deployment and development processes because it forms the basis for strategic decision making. In terms of gaps identified, the recommendations are numerous. Altogether, this can be captured in Tripsas & Gavetti's (2000:1157) suggestion that there is a need for more research focusing on "the role of managerial cognition in driving dynamic capabilities". As Beck & Wiersema's

(2013) conceptual contribution also suggests, there remains a need for enquires with a focus on managerial cognition that can be characterised as DMC.

A third observation in the above and other studies is that they have mostly followed quantitative methods to study the concept and that is one of the concerns expressed by Ambrosini & Bowman (2009), Danneels (2002) and Barreto (2010) just to mention a few. The most use of this method arguably links to why previous studies have offered fewer details about how dynamic capabilities are deployed in practice (Ambrosini et al, 2009). Danneels (2008) also believes that the charge that DCs are 'abstract and intractable' as earlier noted in this review may remain true unless the number of qualitative investigation is increased. This is particularly important for DMC studies in the emerging economies context where not many studies on the topic exists (Fainshmidt et al (2017) and it is important to allow for a method that can enable the researcher to probe the concept more deeply in order to generate rich data (Yin, 2009).

3.18 The adopted theoretical framework of the research

For clarity, this study follows Helfat et al (2007:24) definition/conception of DMC as, "the capacity of managers to purposefully create, extend or modify the resource base of an organisation". In following Helfat et al (2007) conception, this study also aligns with the understanding of DMC as "asset orchestration" (p.24). Asset orchestration has been described as decision making involving 'search and selection related to opportunity identification, inventing and implementing new business models, assets alignment, complementary and co-specialised assets accessing, and making astute investment choices' (Helfat et al, 2007 p.25).

For simpler understanding, according to Helfat et al (2007) asset orchestration constitutes two primary processes: (1) decisions-making – that is the search for and selection of what, which, how and when to do or not to do something (Helfat et al, 2007). In this context, search and selection represent decision-making processes involving identifying critical assets and investing in them, along with developing governance for their effective use. (2) Configuration and deployment processes – which involves co-ordination of co-specialised assets and using them in the most productive ways (Sirmon & Hitt, 2009; Hitt, 2014; Helfat et al, 2007). Based on these measures and clarifications, in the research, one knew what to look out for in regards to DMC. For clarity, this study focuses on search and selection.

Assessment of literature by this research also leads to an understanding of DMC for asset orchestration or strategic change processes as dependent on especially on the cognitive capabilities of managers (Helfat & Peteraf, 2015; Eggers & Kaplan, 2009; Danneels, 2011). Managerial cognition refers to "managerial beliefs and mental models that serve as a basis for decision making" (Adner & Helfat 2003p.1012). This definition is simple and essentially specifies its role and linkage with decision-making.

As Egger & Kaplan (2009:474) suggests, this study also accepts that "dynamic managerial capabilities such as managerial cognition can create or reconfigure organisational resources so that the firm can adapt in the face of environmental change**".** This is consistent with the earlier referred viewpoint that managerial human capital, social capital and managerial cognition are intertwined and influence each other (Adner & Helfat, 2003) to shape the dominant logic at play in an organisation (Kor & Mesko, 2013). Consideration in this study alludes to previous studies e.g. Eggers & Kaplan (2009) that cognition aspect of dynamic managerial capability is most critical because it dovetails ultimately to key strategic decision-making for competitiveness by firms.

The framework for this research thus develops on the premise that managerial cognition would influence how and the extent, in which organisations in a given context selectively deploy and develop new resource base configurations. In less developed/emerging economy, a further thought in this study also entails that DMC requires effective interpretations and perception of both resources and environment, strategic decisions making and learning under a complex, uncertain, and dynamically evolving business environment (Day & Schoemaker, 2016; Danneels, 2011; Pandit et al, 2018; Schoemaker et al, 2018; Teece, 2017).

To begin to explore how cognition influences DMC in the context of this study. The decision of the researcher based on comprehensive insights from both empirical and conceptual works was also to build Helfat & Peteraf's (2015) operationalization of managerial cognition as behaviour and activities involving managerial perception, attention, and problem-solving capacity. The decision is based on the practical relevance of their work to DMC function in terms asset orchestration (Helfat et al, 2007) earlier defined and consistency with other contemporary understanding of microfoundations of DC in terms of abilities for sensing, and seizing business opportunities and reconfiguring organisations resource-base (Teece, 2007; 2012; 2017; 2018).

3.18.1Manager’s Perception

Perception refers to the mental processes and activities that managers employ in recognition of patterns and in construction of useful and meaningful information about their organisation’s environment e.g. extant/emerging technology, and resource base e.g. brand or customers (Ambrosini et al, 2009; Helfat & Peteraf, 2015; Danneels, 2011; Eggers & Kaplan, 2009). The above definition shows that perception involves two key mental functions: pattern recognition and interpretation of information (Ambrosini & Altintas, 2019).

Perception allows managers to focus on ‘organising information and interpreting it as having being produced by properties of object or events in the external world’ (Helfat & Peteraf 2015: 838). It requires steering mental alertness (Gavetti, 2005) related to sense-making (Pandza & Thorpe, 2009) given the environmental contingencies (Peteraf & Reed, 2007; Sirmon & Hitt, 2009) that are perceptible (Salvato, 2009; Ambrosini et al, 2009). Ambrosini et al (2009) maintains that managers deploy DC according to their managerial perception of reality, which in some cases may not actually represent the reality itself. Baum & Bird (2010) suggest that getting it right requires ‘successful intelligence’ and further opine that it is necessary to empirically examine the cognitive strategies (perception patterns) deployed by management teams and their individual managers in different settings. It means that how managers appropriately perceive the need for change can act as a trigger to the exercise of DCs (Ambrosini & Altintas, 2019; Helfat & Peteraf, 2015; Peteraf & Reed, 2007).

Other empirical evidence supporting this viewpoint that was captured in the literature assessment by this research, (see table 3.5). For example, Danneels (2011) documents that managerial perceptions negatively affected resource cognition/management in Smith-Corona but positively. Tripsas & Gavetti (2000) also found that managers’ perception of their business led to slow adaptation to digital imaging technology by managers at Polaroid. Marcel et al (2011) demonstrate that when managers have an appropriate perception of what aspect of their business and resources that is crucial to their competitive survival and success, they are more likely to respond when they are threatened. Implication of this for this current research is that managers’ ability to effectively recognise emerging opportunities and threats (Helfat & Peteraf, 2015), create change and/or respond to opportunities in the environment depends on their perception of both their internal and external environment.

3.18.2 Managers’ Attention

Attention pertains to focused awareness on perceptual information, developments and events in the environments (Egger & Kaplan, 2009; Helfat & Peteraf, 2015). If perception can facilitate recognition of emerging patterns in the environment, it means that attention depends on perception. Attention is useful in (a) 'orienting to sensory events, (b) detecting signals for processing, and (c) maintaining a vigilant or alert state' (Posner & Petersen, 1990 cited in Helfat & Peteraf 2015:839). The orienting capacity of a manager often determines the extent of attention or inattention to relevant information, and which in turn can facilitate environmental scanning, whereas the alertness element of attention can help in the detection and creation of new opportunities (Helfat & Peteraf, 2015). Ocasio (1997) regards such managerial attention schemas as the intervening mechanism between environmental cues on one hand and organisational response and their corresponding performance on the other hand.

In dynamic environment, in fact, several empirical observation suggests that managers through attention on for instance emerging technology or customers demand can enable the firm to quickly obtain the promise of the market by implementing valuable innovations or defensive mechanisms (Peteraf & Reed, 2007; Cho & Hambrick, 2006; Egger & Kaplan, 2009; Danneels, 2011). For example, Egger & Kaplan (2009) show that executives' who paid greater attention to imminent technology ventured into the new product market quicker. See also Nadkarni & Barr's (2008) insightful analysis of attention focus, and environment-strategy causal logics, and Laamanen & Wallin's (2009) discussion of attention to customers' needs. Huy & Zott's (2019) recent contribution also shows that differentials in managers' attention to their emotional regulation (ER) influence the extent to which they can mobilise resources to pursue market opportunities. Managers in addition to their own emotions to deal with a challenging situation, also have to pay attention to the emotion of other stakeholders (Huy & Zott, 2019). This contribution suggests that attention needs to be given to both internal and external stakeholders.

3.18.3 Problems Solving Capacity

Once opportunities, threat or even weak signals are recognised and relevant attention placed on them, problems solving capacities are required in order to seize the opportunities or to address/mitigate the threats (Day & Schoemaker, 2016; Teece, 2007; Helfat & Peteraf, 2015; Ambrosini & Altintas, 2019). Gazzaniga, Heatherton, & Halpern (2010:342) defined problem-solving as "finding a way around an obstacle to reach a goal". Closely related to problem-solving is the mental activity of reasoning, described as the critical examination of information, opinions, options, and beliefs to arrive at a conclusion, strategic decision or problem solution (Gazzinger et al, 2010; Helfat & Peteraf, 2015). According to Pisano

(2015), problem-solving should be the primary attention of dynamic capabilities research, as with businesses in practice.

Managerial cognitive capability for problem-solving would involve “decision to seize opportunities through strategic investment” (Helfat & Peteraf, 2015:841), sometimes irreversible (Teece, 2007), designing and implementing new or modified business models (Peteraf & Reed, 2007; Teece, 2017; 2018). In unstable/unpredictable environments, such decision-making requires efficient reasoning encapsulated in the problems solving capacity of strategic managers to develop investment options and try to determine their profit potentials *ex-ante* (Helfat & Peteraf, 2015; Baum & Bird, 2010). Successful design and deployment of a business model requires fitting together the different components of the business model and facilitating strategic fit or alignment, and complementarities among activities (Peteraf & Reed, 2007; Teece, 2018). Baum & Bird (2010), Teece (2007) concludes that the efficacy of these requires an “entrepreneurial right brain”, willingness to act on partial information and vigilant learning (Day & Schoemaker, 2016), even learning from failures can be valuable (Cope, 2011). A baseline framework developed to guide this research is presented below. The framework builds on Helfat & Peteraf's (2015) managerial cognition capability idea and Helfat et al (2007) understanding of dynamic managerial capabilities and asset orchestration as related to competitive advantage.

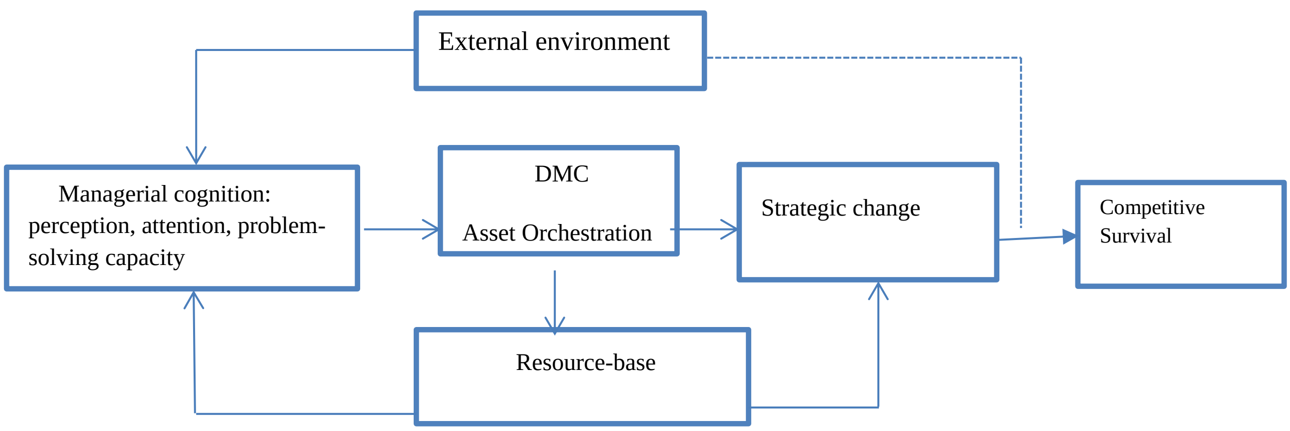


Figure 5 Baseline framework of DMC. Source: Author

Having clarified the above, in line with the argument by Ambrosini et al, (2009) that “to fully understand dynamic capabilities we need to consider what they (i.e. managers) perceive, act upon in terms of their environment and resources” (p.g5). From the empirical evidence above, this study also accepts that managerial cognition offers a useful lens to investigate the way in which managers might try to exercise dynamic capabilities in different contexts (Danneels, 2011; Sirmon & Hitt, 2009; Eggers & Kaplan, 2009). Table 3.5 shows that out of 57 empirical papers examined, only 21 are based on qualitative methods, thus confirming the earlier observation by Ambrosini & Bowman (2009) that thus far, quantitative studies outnumbers qualitative studies. The need for more qualitative methods in DC research given the current state of development in the field has been emphasised by Danneels (2008).

Given the insufficient attention to less-developed contexts as this study reveals; as Helfat & Martin (2015: 1305) suggests, it means that thus far, little is known about the conditions under which managerial cognition may "have a positive, negative or no impact on strategic change" and competitive survival of an organisation. Therefore, the gap responded to by this research is the fact that only a few studies have examined DMC from the emerging economies context (Maitland & Sammartino, 2015; Fainshmidt et al, 2017). In consideration of the fact that DMC can have negative or no impact, it is considered that Tripsas & Gavetti (2000) recommendation for "How environmental factors affect cognition and capabilities" (p.1159), and Helfat & Peteraf (2015) calls for research exploring organisational factors that may place limits on DMC. In this regard, there is a need to "discover how an unexpected critical event or a series of events can cause shifts in belief and knowledge systems of executives" (Kor & Mesko, 2013:242) to support DMC deployment and its further development. Beck & Wiersema (2013) also suggests that it would be helpful to identify what might constitute drivers of better decision rather than simply, different decision.

3.19 Summary of the chapter

As stated at the beginning, the focus of this chapter has been to discuss the concepts of DCV and DMC in order to determine what is known about the concepts, to identify gaps in knowledge and thereby justify the basis upon which further research like this one may be worthwhile. And so, based on the review of the literature documented in this chapter, it has been determined that the DCV extends the IO perspective and the RBV by linking resources and capabilities improvement to environmental dynamism and firm's competitive advantage. Discussion in the chapter after tracing the theoretical foundation of DCs also reflected on the variety of definitions and conceptions about the concept. It noted the lack of a unified definition of DCs, and nonetheless, some progress being made to address the definition issue and for clarity even in other aspects to emerge. The chapter continued with a discussion of the accepted definition of DC in this study has been specified and for further clarity show, how scholars have distinguished DC from ordinary capabilities, and some examples.

This review also shows that DC involves organisational and managerial processes that underpin their development and deployment. It identified DC as a multi-level construct and captures current knowledge about how DCs can be developed and deployed. The exercise and value of DCs are context and path-dependent and as part of this review, analysis in the chapter identified that a critical issue is that the DC while necessary, does not guarantee SCA. The review also captures themes relating to other critical concerns and debates about the DCV as well as suggestions on how to address them. A vital portion of the suggestions consists of the need to focus on developing a better understanding of the key role of managers in DC development and deployment.

Discussion shows that one construct now addressing this concern is the DMC perspective. This review covers the definition of the DMC, its underpinning drivers, interrelated nature and the utility of managerial cognition as an important lens to studying how and the extent DMC may influence organisational DC. Following a synthesis of relevant empirical contributions, and gaps in the literature, it emerged that there remains a paucity of empirical research addressing the role of DMC in underexplored contexts e.g. emerging economies. Discussion also highlights scholars' calls for empirical research investigating the DMC deployment in such contexts, and give attention to the conditions in which key elements of DMC and cognition may have positive, negative or no impact on firms' strategy and their competitive survival. To address this gap, the chapter also specified and discussed the theoretical framework adopted. The succeeding chapter discusses the research design and methodologies employed in the field of this study.

CHAPTER 4

Research Design and Methodology

4.1 Introduction

This chapter elucidates on the research design and methodologies adopted in the study. Creswell (2014) describes research design as plans for carrying out research while methodology refers to the approach, methods, and techniques used to generate data and analyse research findings. In other words, design gives you the plan while the methodology explains how you use/d the plan. As suggested by well-established research scholars, e.g. Yin (2003; 2009), the design and methodology of any given research often require appropriate considerations of the nature and objectives of the research. The stated aim of this research can be characterised as theory elaboration (Vaughan, 1992), in line with the contemporary arguments and gaps highlighted through literature review in the preceding chapters.

Therefore, the purpose of this chapter is to provide details accounts about choices and steps adopted in order to help answer the question of this research. In this regard, the succeeding sections to this introduction has been organised to include, section 4.2, which addresses the philosophical perspectives of this research. Section 4.3 discusses the research approach, and in section 4.4, present the research method followed, and in section, 4.5 explain the research strategy. Section 4.6 discusses the research context/setting explored, while 4.7 further explains the sample selection process. Section 4.8 discusses the data collection process and in section 4.9, explains the data analysis process. Section 4.10 discusses the validity and reliability of the research findings and then a summary of the chapter in section 4.11.

4.2 The Philosophical Perspectives

Burrell & Morgan (1979:5) makes the point that "all theories or organisation are based upon a philosophy of science and a theory of society". Relatedly, Powell (2002) also argues that strategy research is "an arena where philosophy matters" (p.879). This brings to fore the question, what is philosophy? And why is it important in research? Philosophy refers to "a basic set of beliefs" a person holds about the world (Proctor, 1998:74), regardless of whether we are aware of it or not (Creswell & Poth, 2018). Miles & Huberman (1994:4) suggests thus that "It is good medicine we think, for researchers to make their preferences clear …to know how a researcher construes the shape the social world and aims to give us a credible account of it is to know our conversational partner" and where one is coming from.

In other words, there are different philosophical options or perspectives and in research, clarification of a researcher's basic beliefs or philosophical perspective can help to know the interrelationships between "what is the nature of reality, what can be known, and how the researcher can discover what he/she believes can be known" (Proctor, 1998:74) that are unknown. In this research, to make clear the researcher's philosophical position, it became necessary to engage relevant literature to evaluate the different perspectives in order to understand them. Based on engagement with literature, it was established that there are two main concepts, namely, ontology and epistemology often used to contribute to conversations about research philosophy. Ontology refers to 'the way we think the world is' (Fleetwood, 2005:197), the "assumptions that we make about the nature of reality" or …the subject of an inquiry (Easterby-Smith et al, 2002:31). Epistemology, on the other hand, refers to "a general set of assumptions about the best way of inquiry into the nature of the world" or the focal subject/phenomenon of an inquiry (Easterby-Smith et al, 2002:31; Burrell & Morgan, 1979).

Crotty (1998) suggests another way to understand those concepts simply by explaining that ontology is concerned with a certain way of understanding 'what is' the nature of existence and structure of reality; while epistemology is concerned with 'how we know what we know'. According to Fleetwood (2005:197), an important starting point is for a researcher to ensure that their ontological stance is right and clear. In this regard, therefore, this study has followed some important ideas by scholars including, Kwan & Tsang (2001), Proctor (1998) and Burrell & Morgan (1979) to try to make its position clear. Figure 6 below is illustrative.

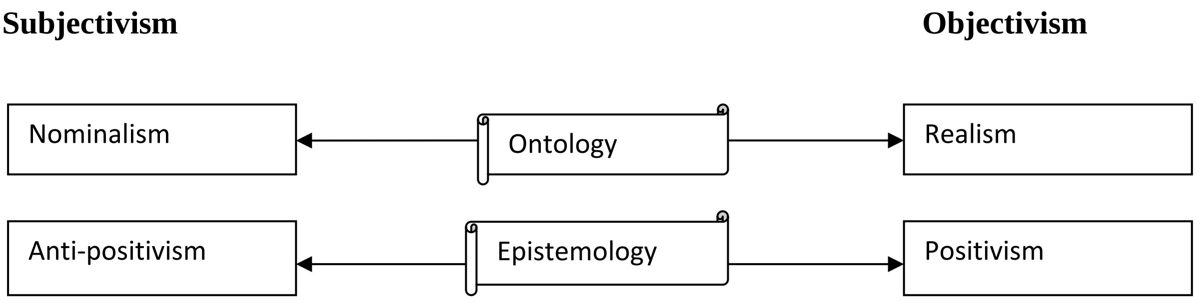


Figure 6 Dimensions of Philosophical Perspectives (Adapted: Burrell & Morgan, 1979)

The above figure shows that a researcher's ontological perspective often follows either objectivism (realism) or subjectivism (nominalism) (Burrell & Morgan, 1979; Proctor 1998). It also shows that a researcher by sharing an objectivism perspective is likely to share positivism as epistemology while a researcher sharing subjectivism is likely to share anti-positivism - also known as social constructionism (Burrell & Morgan, 1979; Kwan & Tsang, 2001). As such, ontological and epistemological assumptions are often interwoven. However, Burrell & Morgan (1979) further explained that objectivism and subjectivism depict bi-polar ends of a continuum and because of that, apart from holding a perspective on either end, a researcher's perspective can also be located somewhere within the continuum.

Figure 7 below is used to clarify the philosophical perspective accepted in this research. It highlights the concepts of positivism, social constructionism as two extreme philosophical traditions and, another, the critical realism philosophy, which occupies the middle ground (Proctor, 1998). The explanation of these philosophical perspectives is next.

Figure 4.2 Critical Realism as middle-ground between positivism and Social Constructionism

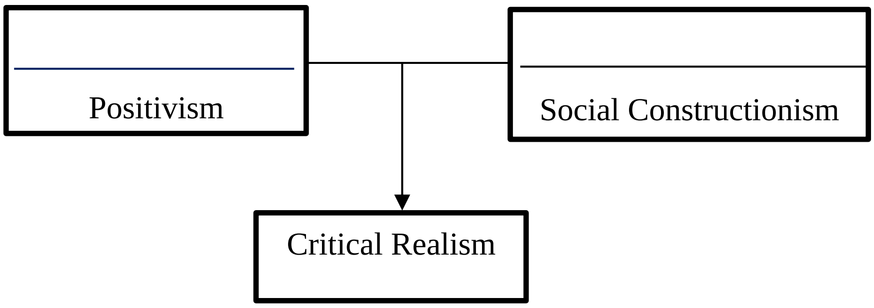


Figure 7 Positivism, Constructivism, and Critical Realism

The positivism philosophy

The positivism philosophy has been traced back to the opinion of a French philosopher Auguste Comte (1853), who observed that "all good intellects have repeated, since Bacon's time, that there can be no real knowledge but that which is based on observed facts" (Easterby-Smith et al, 2002:28). Scholars' view of Comte's opinion entails that 'the social world exists externally, and its properties should be measured objectively in terms of observable facts, rather than being inferred subjectively through sensation, reflection or intuition' (Easterby-Smith, et al 2002:28).

However, scholars have since emphasised some limitations of the positivist philosophy. Like Trevino & Weaver (2003) and Durand & Vaara, (2006) explained, positivism philosophy has been faulted for often relying only on observable facts, claiming objectivity but then leaves open the question about variances, causalities and proxy measure of causalities e.g. 'behaviours, abilities, or processes' which may have plausible consequences. So, in fields like strategic management with less focus on tangible objects rather on unobservable phenomenon e.g. beliefs, values and behaviours of people, scholars posits that while not entirely unscholarly, how positivism might bring people closer to the ultimate truth remains unexplained and yet to be firmly established (Durand & Vaara, 2006; Powell, 2001; Easterby-Smith et al, 2012).

In line with the above, consideration in this study is consistent with Powell (2001:884) argument that the demands of positivism in terms objectivity, falsifiability and experiments are unlikely to be satisfied/useful for a construct like DMC which by now have continued to be described as an abstract concept (Eisenhardt & Martin, 2000; Danneels, 2008). Therefore, social constructionism is not followed, as it may not offer appropriate fit to derive novel insights about the DMC especially at its current state of development. Some scholars who questioned the positivist philosophy promote the idea of social constructivism as a better alternative (Mir & Watson, 2000). Next is a reflection on social constructionism.

Social Constructionism

Social constructionism philosophy in Burrell &Morgan's (1979) words, is an anti-positivism perspective. Easterby-Smith, Thorpe, & Jackson (2012) traced the idea to Berger & Luckman (1966) and others like Watzlawick (1984) and Shorter (1993). The philosophy claims that 'reality' is not objective or external but rather constructed and given meaning by individuals or people (Easterby-Smith et al, 2002:28). Note that some authors also used terms like subjectivism, relativism and even interpretivism as proxies for social constructionism (Fleetwood, 2005; Saunders, Lewis, & Thornhill, 2012; Silverman, 2013). Social constructivists believe that there are many truth and for 'reality' to be established, it is more important to try "to understand and appreciate the different experiences that people have rather than search for external causes and fundamental laws to explain behaviours" (Easterby-Smith, Thorpe, & Jackson, 2012:28).

Mir & Watson (2000) made a strong case for social constructivism as a useful methodological frame of reference to make sense of strategy' especially when the endeavour is 'to understand the context-driven nature of strategy, and the active role of the researcher in shaping a theoretical perspective' (Mir & Watson, 2000:950). The authors' consideration is that 'strategic management research is a social practice, and knowledge is the product, not of isolated individuals, but of inter-subjective relations between members of research communities' (Mir & Watson, p.950). As such, the authors consider social constructivism as a suitable alternative for avoiding the dangers of overgeneralization (Mir & Watson, 2000:950) as positivism often claim. However, as with positivism, despite some promise in the constructivism perspective, scholars have recognised some limitations of this philosophical standpoint.

One of the critical charges against the social constructivism philosophy entails that if ‘reality’ is determined only through people’s construction of their experience, thinking, feelings and findings rather than through objective and external factors (Easterby-Smith, Thorpe, & Jackson, 2012) ‘no research findings can be neutrally assessed, criticized or falsified’ (Kwan & Tsang, 2001:1164). In other words, ‘every theory or claim on truth’ would suffice as reality (Powell, 2001:884). In sharing these observations also, Gavetti (2005:614) put it that “although a constructionist approach is plausible, assessing the extent to which reality is given or enacted is a sufficiently important and complex issue that it merits separate treatment”. This study also aligns with the view that not all claims to truth can be valid and particularly agrees that uncovering social reality requires evaluations beyond merely peoples’ constructions about truth (Gavetti, 2005; Powell, 2001).

In the light of the above, the researcher came to a philosophical decision that neither positivism nor social constructivism despite their promises is best suited for generating new insights about an emerging phenomenon such as DMC – a subfield and example of DC (Helfat & Martin, 2015; Proctor, 1998; Teece, 2018) given the controversy around its foundation earlier discussed. In line with Powell (2001), consideration implies that positivism by focusing mainly on objectivity seems less suited for understanding reality about human experiences and behaviours, which fundamentally is what the DMC preaches. While the social constructionism contrasts the positivism, perspective by advocating rather, that ‘reality’ is determined mainly through people’s construction of their contextual experiences and suited for investigation on strategy (Mir & Watson, 2000). It is also not particularly followed by this study in order to avoid what the researcher consider as “speaking from both sides of the mouth” by social constructionism often disguised as many truth and that may further exacerbate the already contradictions trailing the DMC phenomenon as charged by e.g. Arend & Bromiley (2009).

Therefore, beyond positivism and social constructionism, according to Sayer (1997:453), “while it may be best to avoid concepts of essences which assume that the distinguishing and generative objects of must coincide, we still need to distinguish classes of objects and identify causal powers which enable or constrain what those objects can do”. This means that neither of the above philosophical positions may claim to be very correct. In sum, as figure 7 above illustrates, the consideration of the researcher was to reflect on the critical realism philosophy given its alternative viewpoint compared to the positivism and social constructionism extreme perspectives. Next is a reflection on the critical realism philosophy.

Critical Realism Perspective

Critical realism philosophy has been traced to the many works, especially, Roy Bhaskar (1975; 2008), Margaret Archer (1998; 2000), and Sayer (1992; 2000). The thrust of the critical realism perspective entails that reality exists at different levels (Bhaskar, 2008) and "characteristically emergent" (Sayer, 2000:12). According to Bhaskar (2008:3) "…. real structures exist independently of and are often out of phase with the actual patterns of life event [….] I will argue that I will call the domain the real, the actual and the empirical are distinct. [….]. The real basis of causal laws is provided by generative mechanisms of nature. Such mechanisms are, it is argued, nothing other than the way of acting of things. And causal laws must be analysed as their tendencies" (Giudici, 2013). This simply means that reality can be studied and identified from the three strata or levels where they exist, which includes empirical (experiences, observable events) actual (events which may or may not be observed, and real (structures and processes which make reality and produces events) (Proctor, 1998).

Easterby-Smith, Thorpe, & Jackson, (2012) interpreted Bhasker's argument to imply that 'causality exists as potential which cannot be automatically correlated with specific events as positivism tends to'. This suggests that the observation of a researcher may be an aspect of an event or what is happening depending on the level explored. It also suggests that what is happening is often the result of their underlying or 'generative mechanisms' (Mutch, 2010:508; Easton, 2010). 'The underlying mechanisms may not work in the interests of the concerned individuals, people or organisation but the knowledge of them and their causes can provide potentials for the emancipation of their effects' (Easterby-Smith, Thorpe, & Jackson, 2012:29). As such, the focus of critical realist research is often that of trying to uncover the underlying or generative mechanisms involved in order to provide richer and better knowledge or theoretical explanations. As Mutch (2010:509) suggests, the nature of the uncovered underlying mechanism, the way they act could be "provisional, reversible, and corrigible" or possibly change over time (Reed, 2005).

Critical realism also suggests that the ideas of positivism and social construction are essentially complementary and as a researcher's own experience and understanding could help to define and delineate the concept being examined although not to dominate empirical data (Easton, 2010). Scholars holds therefore that the critical realism perspective not only addresses the limitations of positivism and social constructionism but can be quite useful for research in the management field and strategy research especially (Gavetti, 2005; Godfrey & Hill, 1995; Kwan & Tsang, 2001; Miller & Tsang, 2011; Sayer, 1997).

This thesis in chapters two and three highlighted that the DMC and dynamic capabilities view have both been decried as being resistant to observation and measurement (Eisenhardt & Martin, 2000; Pavlou & El Sawy, 2011). Whether this is true or not, a critical realists, especially in the strategy field, holds that 'we cannot reject theories just because they contain key constructs that are unobservable' (Godfrey & Hill, 1995:527) as often argued in the 'empirical or naïve realism of positivism' (Fleetwood, 2005). A growing support for critical realism application in strategic management research was noted in contributions like Godfrey & Hill (1995), Kwan & Tsang (2001), Fleetwood (2005), Gavetti (2005) Durand & Vaara (2006), and Miller & Tsang (2011). This philosophy 'recognises that social conditions such as competitive advantage as the 'holy grail' of strategy research (Helfat & Peteraf, 2009) have real consequences whether they are observed or not and social life is both generated by actions of individuals, and also has an external impact on them' (Easterby-Smith, Thorpe, & Jackson, 2012:29). But despite that critical realism as a growing intellectual movement holds great potentials for management research, scholars' regrets that it still falls short of being widely leveraged to empirically inform knowledge (Gavetti, 2005; Miller & Tsang, 2011).

4.2.1 The Philosophical Perspective of this Research

By evaluating and contrasting the core tenets of the above philosophical perspectives, it was accepted in this study that critical realism is a balanced, modest and compelling perspective with apposite potentials for uncovering, affirming or even rejecting assumptions based on empirically supported evidences (Maxwell, 2012; Mutch, 2010; Miller & Tsang, 2011). As Crotty (1998), Yin (2009), Miles & Huberman (1994) Creswell & Poth (2018), and several other scholars suggest, this choice is based on the researcher's world-view, the nature, and objectives of this research. Literature assessment in chapter three identified DC as a multilevel construct (Winter, 2003; Helfat et al, 2007) notably because, DC exists at organisational, individual and network levels (Rothaermel & Hess, 2007). As such, scholars are being re-directed to try to explore, analyse and facilitate better understanding of DCs through its microfoundations (Teece, 2007) or managerial level/processes (Helfat et al, 2007) given the significance of human agents as causal factors or determinants on whether and how

DCs are deployed in practice (Narayanan et al, 2009; Ambrosini et al, 2009). In this study, the consideration is that this stratified nature of DCs evokes the critical realism philosophy.

In sum, the rationale for following the critical realism perspective to address the questions of this research includes first, it is accepted that DCs are a meta-construct, characteristically hierarchical/stratified (Ambrosini et al, 2009; Winter, 2003) and currently requires examination at a micro or managerial level (Ambrosini & Bowman, 2009; Helfat et al, 2007; Teece, 2007). Secondly, DCs are often the consequence of underlying mechanisms (causalities) that exists both at organisation and managerial levels and even network levels (Helfat et al, 2007; Rothaermel & Hess, 2007; Teece, 2007). Thirdly, the critical realism helps to uncover 'empirically supported statements about causation, how and why an event/change is happening' (Wynn & Williams, 2012:789) or not happening (Eggers & Kaplan, 2009) and suitable for research with interest in building chains of causality (Easton, 2010). As Easterby-Smith et al (2002:33) suggests, following a particular philosophical perspective usually leads the researcher to also adopt research approach and 'methods that are characteristic of that perspective or position'. The next section discusses the research approach adopted in the study.

4.3 The Research Approach

The research approach often involves crucial decisions as well (Creswell, 2014). Blaikie (2000:101) outlined four different approaches often used for empirical research, namely: deduction, induction, abduction, retroduction. Of these approaches, the author also highlights that critical realism is associated with retroductive logic of inquiry (Blaikie, 2000:108). Therefore, consistent with the choice of critical realism perspective adopted by this study, a decision was also made to follow the retroduction reasoning/logic of inquiry. Blaikie (2004) defines retroduction as involving "going back from, below, or behind observed patterns or regularities to discover what produces them" (p.972). Discussion in the preceding chapter already positioned DMC as a model of causal mechanisms of DCs (figure 3.3), to suggest that 'if they (DMC) exists would generate which would be explained' (Mingers et al, 2013:797).

In line with Tippmann et al, (2014:210), the rationale for the retroduction approach is also because the "preconceptions and frames of references" are important in contributing to a knowledge field, and when used along with analytic induction may help to capture or tease out surprises in certain cases. Consideration in the retroduction approach is also that "a researcher may have some idea of the direction to go …but no clear idea of what to expect" (Blaikie, 2000; 109). In other words, 'unlike the basic inductive researcher, 'the retroductive researcher has something to look for' (Blaikie 2000:109). In this study, the researcher derived insights from the literature review but remained open-minded about emergent insights. Dixon et al (2010; 2014) also confirm the utility of retroductive logic for DCs inquiry. The next sections will discuss the actual processes used for data collection and analysis in this study.

4.4 The Research Method

By now, it is already common knowledge that qualitative, quantitative or mixed methods (Creswell, 2014:3) are three popular methods for empirical data collection and analysis. Qualitative method often refers to a method involving the collection and analysis of non-numerical data, while the 'quantitative method, on the other hand, refers to a method involving numerical data collection and analysis (Creswell, 2014:3). The mix method refers to a method that is somewhere in the middle of the qualitative and quantitative continuum by way of combination (Creswell, 2014:3). Although that research methods literature is replete with arguments for and against each research method, it is well known that each of these research methods have strengths and weaknesses associated with it. This research is particularly not drawn into the "ardent dispute" (Johnson & Onwegbuzie, 2004:14) about the best method. Rather, consideration in this study is that the best method for a particular research depends on the nature, aims and objectives of the research, the philosophical perspective of the researcher (Easterby-Smith et al, 2002; Creswell, 2014) and of course the most compelling and up to date opinions in the field of study in relation to the research method (Maxwell, 2012).

Maxwell (2012) suggests that the critical realism philosophy adopted by this study offers great value for qualitative research. According to Creswell (2014), qualitative research helps to examine the context and specific settings along with its participants. The method is suitable when exploring questions and processes involving individuals or groups, organizational, social or human problems whereby in-depth, rich and defensible explanations of facts are needed from natural settings (Creswell, 2014; Miles & Huberman, 1994). Miles & Huberman (1994) also put it that the strength of qualitative method of research lies in its tendency for richness, holism and strong potential for revealing complexity and for tracing the meaning that people place on events, processes, and structure related to their work, responsibilities and life experiences.

Accordingly, in view of the exploratory nature of this research, the qualitative method was adopted (Eisenhardt, 1989; Miles & Huberman, 1994; Yin, 2009). This decision also reflects the recent calls in the dynamic capabilities research field for more qualitative research (Danneels, 2008; Ambrosini & Bowman, 2009, Teece, 2012; Peteraf et al, 2013). In particular, based on methodological issues identified in DC research (Eriksson, 2013), scholars have established that dynamic capabilities development and deployment involves some opaque and idiosyncratic processes that may be context-dependent both in terms of application and in terms of value (Teece et al, 1997; Winter, 2003; Easterby-Smith et al, 2009; Barreto, 2010). As against the domination of quantitative research methods in DC research (Wang & Ahmed, 2007), and given the nascent stage of development in the DC concept (Helfat & Peteraf, 2009). Scholars are being encouraged to rather employ a qualitative research method because that would help to conduct a more "fine-grained investigation to obtain contextualised data" (Ambrosini & Bowman, 2009:37) that might provide a better understanding of micro-level processes underlying the exercise of DCs and their effects in practical business realities.

As earlier stated, the choice of qualitative method by this study does not trivialise the strength of the quantitative and mixed methods. However, based on the current state of development in the DC concept, this study agrees that the quantitative methods would provide knowledge that may be "too abstract and general for direct application to specific local situations, context, and individuals" (Johnson & Onwuegbuzie, 2004:19). Quantitative methods are not only inflexible but also less effective in understanding processes, meanings and implications related to certain managerial actions and through it, it can be hard to 'infer what changes and why about actions' that may be implemented in the future (Easterby-Smith et al, 2008:71).

Although some scholars argue, that the mixed method is essentially a pragmatic method by combining the strengths of both the qualitative and quantitative methods to eschew their limitations (Johnson & Onwuegbuzie, 2004). Scholars, however, have also observed that 'life is not that simple' (Easterby-Smith et al, 2008:73). Like the quantitative method, a key issue with the mixed method is that only large samples may allow the credibility of its findings (Easterby-Smith et al, 2008). Apart from that, it can be cumbersome and difficult to reconcile discrepant data sources heading seemingly in the direction of variant conclusions (Easterby-Smith et al, 2008). Even known advocates of mixed methods e.g. Johnson & Onwuegbuzie (2004:21) also admit that such methods always have the problem of paradigm mix, conflicting results and sometimes can be difficult for a single researcher to carry-out.

In the light of the above , without just outright disregard for some logical considerations often related to quantitative and mixed methods of research, it is believed that the qualitative method as key scholars like Ambrosini & Bowman (2009), Danneels (2008) all argues offers more relevance for novel contributions in the DMC research domain and by this study in particular. Consistent with the qualitative method, this study employs the case study strategy.

4.5 Case Study as the Research Strategy

Creswell (2014:187) suggests that qualitative research undertakers should aim to choose from research strategy options including "narrative, phenomenology, ethnography, case study, and grounded theory". A number of other options include action research, experiment and archival research (Saunders et al, 2012:173). To select a suitable strategy, researchers are encouraged to consider their philosophical stance, nature/purpose of the research and the strengths and limitations of each strategy in terms of deriving the evidences needed to address the research question(s) (Easterby-Smith et al, 2008; Yin, 2009; Easton, 2010).

This research follows the case study strategy defined by Yin (2003:13) as "an empirical enquiry that investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident". A case is often used to refer to an entity (single or multiple), which may be studied in detail using a selected technique or strategy and time horizon (Blaikie, 2010; Creswell, 2014). Bergh & Ketchen (2009:139) also suggests that "cases …may be defined by individuals, a group, organisation, a community, nation episode or encounter, event, period of time, or a sustained process or spatially and temporally". Table 4.1 sums well-known voices on the case study.

Table 4. 1 Case Study Research Strategy

Author	Theoretical contribution
Eisenhardt (1989a); Eisenhardt & Graebner (2007)	Develop concepts, theoretical constructs, conceptual framework, propositions, or mid-range theory. Reveals an unusual phenomenon, replicate or counter the replication of findings in other cases, eliminate alternative explanations, elaborate emergent theory
Flyvbjerg (2006)	Generate and test hypotheses
Miles & Huberman (1994)	Ground a construct empirically in a new context
Siggelkow (2007)	Generate new ideas to build theory, provide a violation of theory, sharpen existing theory, get closer to theoretical constructs and illustrate causal mechanisms.
Stake (2005)	Refine theory, suggest complexities for further investigation, establish the limits of generalizability
Vaughan (1992)	Contradict or confirm theory, create new hypotheses, add details to the theory, model, or concept, specify the theory more fully
Yin (2003)	Confirm, challenge, extend, explore, expand, generalize, and modify theory. Revise original theoretical propositions, build theory by making theoretical breakthroughs, develop hypotheses and proposition for further enquiry

Source: Ridder et al cited in Bergh & Ketchen (2009:144)

As table 4.1 above shows, there are many compelling arguments about the "potentials of case study research in making a theoretical contribution" especially in the strategic management (Ridder et al in Bergh & Ketchen, 2009:144). A common standpoint discerned from the above voices is that case study strategy has potentials to contribute to theory, when a phenomenon is still at its emerging stage (Eisenhardt & Graebner, 2007), complex (Yin, 2003) and can yield more understanding or details (Vaughan, 1992), from new contexts which one may further explore (Yin, 2003; Miles & Huberman, 1994). From a philosophical standpoint, Easton (2010:119) also argues that "critical realism is particularly well suited as a companion for case research". In other words, it suggests that the case study is the primary research strategy consistent with the critical realist philosophy (Wynn & Williams, 2012:803) adopted by this study.

As Yin (2009: 4) starkly put it, "the distinctive need for a case studies arises out of the desire to understand complex social phenomena" e.g. organisational and managerial processes, the questions of "how" and "why" about the phenomena in its real-life context (Yin, 2009:8-10). It emerged from literature review (in chapter 3) that DC consists of organisational and managerial processes (Teece et al, 1997); are a meta-capability and complex construct (Helfat et al 2007; Teece, 2007), with the need for more knowledge about the managerial processes that underpins DCs especially (Ambrosini & Bowman, 2009; Helfat & Peteraf, 2015). In line with the above views, as this research examines the influence of managers or managerial capabilities in relation to DCs and competitive survival, success and otherwise in arguably an underexplored context (emerging economies), it was accepted that the case study strategy is relevant, useful and appropriate for the study and thus adopted.

In research literature, there is also a debate about whether a single or multiple-case study is best. This study follows the latter based on the exploratory nature of the research question: "to what extent DMC are deployed and further developed in Nigeria". Whilst some scholars argue that a single case study may yield rich findings, many also concede that that is often best in extreme cases (Siggelkow, 2007; Yin, 2003). However, multiple-case studies adopted by this study often support wider exploration of research questions, contexts and allow comparisons that can clarify whether the emergent findings are simply idiosyncratic to a specific single case or consistently replicated across several cases (Eisenhardt & Graebner, 2007:27). The researcher believes that comparing cross-case evidence enhances the validity of findings (Yin, 2009) and can enable good contributions to knowledge (Eisenhardt, 1989;

Eisenhardt & Graebner, 2007) by a study. As discussed below, the use of the case study strategy in this research is not without consideration of the limitations associated with it.

Until present, criticisms, and concerns about case studies research always relate to the generalizability of the results (Tsang, 2014; Yin, 2009). However, recently, scholars have started to address these concerns (e.g. Flyvbjerg, 2006, Gibbert & Ruigrok, 2010; Easton, 2010; Tsang, 2014). According to Tsang (2014), "a major factor causing the debate about generalizability of case study results is that the concept of generalisation itself is often misconceived" (p. 370) in terms of "statistical representativeness" (Easton, 2010:119). In fact, Tsang (2014), Eisenhardt & Graebner (2007) and Gibber & Ruigrok (2010) all provide examples of case study research which are (1) highly rated publications and (2) offering validly generalizable results.

According to Eisenhardt & Graebner (2007:25), the 'most interesting, highly cited pieces, and past winners of AMJ best articles award have relied on case studies'. Gibbert & Ruigrok (2010: 711) also reminds us that some of the "most ground-breaking insights" from the strategic management field (e.g., Penrose, 1960; Chandler, 1962; Pettigrew, 1973; Peters & Waterman, 1982; Burgleman, 1983; Prahalad & Hamel, 1990) have all been provided by case studies. From the literature review (chapter 3) by this research, it was also noted that some of the most influential DMC and related contributions made thus far, including Rosenbloom (2000), Danneels (2002; 2008; 2011); Adner & Helfat (2003), Sirmon & Hitt, (2009) Martin (2011) all used case studies. Consequently, the conviction by Easton (2010) from a philosophical standpoint, Eisenhardt & Graebner (2007), and Gibbert & Ruigrok's (2010) support for case studies, and its fruitfulness in previous DC research have all influenced the choice of case study by this research. Insights from those contributions were useful in focusing on demonstrating chains of evidence and rigor in terms of concrete actions taken in the process and the justification of the decisions made (Gibbert & Ruigrok, 2010). The next section discusses the context, sample and case selection for the research.

4.6 The Research Context/Setting

As discussed in the preceding chapter, an important area of debate in DMC theorisation and DC research generally is about the applicable environmental contexts of the concepts (Adner & Helfat, 2003; Peteraf et al, 2013; Salvato & Vasollo, 2018). DCs idea was developed with emphasis particularly on the concepts' potentials for facilitating firms' competitive success in a rapidly changing business ecosystem (Teece, 2007). And while it has been argued that DCs can be useful in moderately changing and even stable environments too (Eisenhardt & Martin, 2000); scholars (e.g. Salvato, 2003; Pablo et al, 2007; Easterby-Smith et al, 2009) all observed that there is a paucity of research extending the DCs research to new socio-cultural and regional context. Literature review by this study already shows that empirical studies thus far are dominated mostly by analysis and studies conducted based on evidence from Western Europe and North America.

In fact, this also resonates with earlier observation in literature that historically, research linking strategy and competitive advantage has always been dominated by studies conducted mainly from developed economies (Makino et al, 2004; Maitland & Sammartino, 2015). Accordingly, scholars have recently called for DC and DMC research with attention on emerging economies because such contexts have tendency for more complexities, instabilities and unfavourable conditions (Dixon et al, 2014; Maitland & Sammartino, 2015; Fainshmidt et al, 2017; Schriber & Lowstedt, 2018) than their developed counterparts do. As Maitland & Sammartino (2015:1554) suggest, the research community appears to be "underestimating the effectiveness of experts in the complex environments and underplaying the adaptive capacity of human cognition" enabling success in developing countries. Other DMC related studies e.g. Pandit, Joshi, Sahay & Gupta (2018), Fainshmidt et al (2017) and Powell et al (2011) all agree that more research attention on emerging economies context is necessary in order to facilitate the confirmations, advances, and novelty required on extant knowledge about DMC.

Consistent with the above viewpoints, this research focused on the emerging economies, with Nigeria particularly selected as an interesting context to explore the DMC concept for many reasons. First, Nigeria is an emerging economy with considerable potentials and yet, one of the rarely researched contexts (Hoskisson et al, 2000). As earlier hinted in the introduction chapter, a report by World Bank shows that Nigeria's population of 184 million as of 2017, accounts for 47% of the West African population (Worldbank.org). Based on this demographic fact, Nigeria is both Africa's largest and most populous black-country in the world (Amaeshi et al, 2006). IMF also projects that Nigeria could become the third most populous country in the world by 2050 (IMF, 15 March 2018). The country is influential both within sub-Sahara Africa and in the global economy – not least in the proven capability of her internal events to destabilize the global oil market" (Amaeshi, et al, 2006).

As one of the strongest emerging forces in Africa, Nigeria has been attracting key interests both locally and globally (Azolukwam & Perkins, 2009). In 2014, Nigeria was named the largest economy in Africa, and the 26th largest economy in the world following what was then a long-overdue rebasing of the country's GDP, which saw her leapfrog, South Africa, economically (The Telegraph April 7, 2014). PwC Economics (2013) in acknowledging the rising economic potentials of Nigeria also projected that Nigeria in terms of GDP would rank among the world's twenty largest economies by 2050. According to Nakpodia (2016), Nigeria's economic potential is mainly enhanced by its cosmic natural resources. The most prominent is crude oil and in fact, the huge economic derivative of crude oil for a country that owns such natural resources is well known (Okotie, 2018).

The Economist (April 12, 2014) also reports that Nigeria has become a colossus of the African continent with statistical wands emerging from some of the earlier neglected sectors of the economy including the telecom industry, banking industry, and movie industry (Nollywood as popularly called). Taken together not surprisingly, PwC (2013), and UNCTAD (2014) more recently reported that Nigeria has been a major Foreign Direct Investment (FDI) attraction destination in Africa. With this growing economic profile of key sectors of the economy, another interpretation is also that the country has a population of viable firms, retooling and improving their business processes to harness and seize opportunities available to it in ways most likely abated by the way they go about building and developing managerial capabilities (Aduloju, 2014). As Maitland & Sammartino (2015) suggest, this interesting performance in underexplored context as such provides a defensible rationale for assessing her corporate managers' behaviour and decision-making activities.

However, it was also shocking that Nigeria with such an impressive record by 2016 was reportedly battling with economic recession largely attributed to slump in crude oil price and poor economic policies by the country's new government (IMF country report, 2017). In short, the choice of Nigeria for this research was purposeful in that the country's economic potentials, size, high stakeholder's expectations, and unstable political environment, compared to other countries compels her inclusion for DC research.

While the country represents a significant market with huge economic opportunity for firms to exploit, the economic and socio-political concerns in a country like Nigeria is central in the DC research debate as Teece (2017) has more recently emphasised. The increasing FDI in the country means that domestic firms currently and in the coming year might have to face stiffer competition from international competitors with perhaps larger financial war-chest, innovative and managerial competences (Sanni, 2018). On the other hand, MNE faces critical decision making under uncertainty (Maitland & Sammartino, 2015). Thus as Teece (2017) suggests there is little doubt that deploying and developing DMC is crucial for organisations and managers in Nigeria in order to maintain competitive survival and success both currently and in the years ahead. In addition, empirical evidence suggests that there has been a growing change in local consumption patterns in most African countries, especially Nigeria (Sanni, 2018). Nigerians are more sophisticated today, more educated and aware of the impact/level of the products and services they consume and demand (Sanni, 2018). Accordingly, a consideration by this research is that firms in Nigeria essentially must aim to confront these emerging trends through creativity and innovation in order to compete.

In fact, this study responds to earlier calls for DC studies from new sociocultural, regional and national contexts (Easterby-Smith et al, 2009, Salvato, 2003). Although it is interesting that recently few empirical studies from emerging economies e.g. India (Pandit, et al, 2018), Russia (Dixon et al, 2014; Ludwig & Pemberton, 2011) are slowly emerging. This research considers it worthy to explore the implementation of DMC from the Nigeria context since DMC is task environment-related (Fainshmidt et al 2017) or context-dependent (Helfat & Peteraf, 2015). And if so, it is difficult to generalise studies from one country to other geographic regions given the disparities in national culture and institutional frameworks (Nakpodia, 2016; Pandit, et al, 2018). In sum, indeed, these factors make Nigeria an important context to explore in order to contribute novel insights on the DMC discourse.

Industry Context

As a baseline for any generalisation of the research findings, this study follows the idea by Rouse & Daellenbach (1999), which suggests that resources-based/capability studies should importantly start by concentrating on a single industry and choosing the relevant firms from different strategic constellations in the industry. Di Stefano et al (2010) also suggest that exploring the deployment of DCs depends on ‘looking at the right places’. Consideration by this study is that the Nigerian Banking industry offers salient characteristics that fit the purpose of the broad question of the DC construct and by extension the interest of this study.

First, the industry is an intensely competitive and tough business arena to play in; it’s dynamic and has an interesting history. While The Economist (April 12, 2014) report earlier cited, rightly suggests that the banking sector has been one of the most thriving or promising sectors in Nigeria, this may be questionable when matched against other indices. For instance, compared to 89 banks prior to the 2005 banks consolidation programme – a regulatory change implemented by the Central Bank of Nigeria (CBN) at the time in order to strengthen the resource/capital base of the banks and facilitate a robust environment overall; there is at the time of this study only 21 surviving commercial banks in the industry (www.cbn.gov.ng). In other words, over 75% of Nigeria commercial banks, unfortunately, could not survive the consolidation after the 2005 shake-up, or other subsequent reforms to remain in business. More details of what went wrong is outside the remit of this study (see: Sanusi 2010, 2012; Ezeoha, 2007), and the CBN website, www.cbn.gov.ng for the list of the existing commercial banks in Nigeria.

However, of the existing 21 commercial banks, while only 9 or 49% ranked among the 1000 global banks (Dailypost.ng 29 July 2015) at the start of this study. Previous studies suggest that, indeed, the existing ones have emerged as stronger institutions from that consolidation exercise when measured in terms of size of balance sheet or financial resource base, and structure (Ezeoha, 2007; Sanusi, 2010; 2012). Evidence of their size and strong financial performance and growth was reinforced when The Financial Times in 2016 named six Nigerian banks among the top twenty-five banks in Africa.

From a theoretical standpoint, in terms of survival and performance levels of those banks, both on technical and evolutionary fitness, it is thinkable that that can hardly be distanced from the influence of dynamic managerial capabilities (Adner & Helfat, 2003; Helfat et al, 2007; Sirmon & Hitt, 2009). Although survival/advantage arguably does not necessarily imply the presence of DMC (Eisenhardt & Martin, 2000), their survival and continued success are exemplar. The Nigerian banking industry after the consolidation also boasts of publicly listed institutions for which useful information is available and publicly accessible. The industry is consistently at the centre of media attention not surprisingly due to the industry's salience, relevance, and relatedness to all other sectors of the nation's economy. Therefore, how and the extent DMC influence organisations' success or otherwise in the banking business in Nigeria was needful.

4.7 Sampling and Case selection

A purposive sampling method suggested by Rubin & Rubin, (1995) was used to select five influential cases (Seawright & Gerring, 2008) (i.e. banks) in the industry, that can allow for replication (Eisenhardt, 1989), and of course research participants that can provide useful insights on the question and objectives of this study. As Eisenhardt (1989) suggests, no exact number of cases can be claimed as perfect but research exploring something between four to ten cases is appropriate. Therefore, the decision to select five case studies (banks) is consistent with Eisenhardt (1989) suggestion and it was also considered that the five cases (24%) are an appropriate representative of the 21 surviving commercial banks in the country at the time of this research (www.cbn.gov.ng). Four of the selected cases have consistently ranked among the top 1000 global banks over the past five years by The Banker (www.thebanker.com) and among the top 10 positions in the Nigerian banking industry by the CBN (www.cbn.gov.ng). General information about the selected banks is summarised in table 4.2 below. Note that the selected banks were not named exactly for ethical reasons. (The study has used the following pseudonyms throughout the report).

Table 4. 2 General information about the selected cases

Case	Date Range established	Asset base in Naira	Estimated Workforce	Branches	Countries present
Abia	1980 -1989	N3.0 – 3.5 Trillion	4000 –4500	300 – 400	8
Bayelsa	1990 – 1999	N2.0 – 2.5 Trillion	3500 –4000	200 – 300	5
Cross-River	1970 – 1979	N1.0 – 2.0 Trillion	3000 –3500	200 – 300	2
Delta	1990 – 1999	N3.0 – 4.0 Trillion	9000-11000	200 – 300	11
Ebonyi	1990 – 1999	N3.5 – 5.0 Trillion	7000 –8000	500 – 600	6

As captured in the above table, all five banks selected vary by dates established, ranging between 1980 and 1999. These dates and other information were captured in ranges mainly to preserve anonymity. Bayelsa, Delta, and Ebonyi are relatively more recent in terms of the date established compared to Cross-River and Abia respectively. One may also note that despite being among the younger cluster, Ebonyi and Delta boast of the largest asset base with Abia third in line, then Bayelsa and lastly Cross-River which happens to be the oldest by date established. As earlier mentioned, while all five cases are among top ten in the industry, Abia, Delta, and Ebonyi are graded as Tier1 capital base while Bayelsa and Cross-River are graded Tier2 capital base by the CBN but all together constitute what the CBN referred as domestically systemic important banks (www.cbn.gov.ng). The selection is consistent with Seawright & Gerring's (2008) suggestion that the choice of influential and diverse cases following a cross-case design can improve robustness and help to gain useful insights.

Each selected case has between 3000 and 11000 employees with Delta and Ebonyi particularly having a larger workforce compared to Cross-River, Bayelsa, and Abia. Ebonyi also has more branches, nearly 600 workforce, followed by Abia with over 300 branches while Delta, Bayelsa, and Cross-River also has branches ranging between 200 and 300, each. Each selected case also has apart from their Nigeria operations, between one to ten international banking and branch operations in other countries, especially the UK where all five cases have a branch presence. As evident in the table, together with their Nigeria operations, Abia operates in eight, Bayelsa 5, Cross-River 2, and Delta eleven, and Ebonyi 6 countries respectively. Consistent with the research data sources and literature (e.g. Makino et al 2004), criteria used to define international banking here is, a bank operating in more than one country (Nigeria).

Although one has not particularly used performance level as core measure for the evidence of DMC, in line with the dominant perspective that DMC is not a guarantee for SCA (Helfat et al, 2007) as discussed earlier. It was also considered based on preliminary observation even before the formal data collection to include higher performing and somewhat lower-performing cases as to make the investigation more interesting and perhaps more insightful. As table 4.2 above indicates, it was considered instructive that one can aim to analyse the five cases in a group of the higher-performing and the lower performing cases, with Bayelsa and Cross-River in the latter group while Abia, Delta, and Ebonyi in the former group. Note that the primary consideration at the time was the organisations' asset base as table 4.2 indicates.

4.8 Data collection process

This study relied on multiple empirical data sources including semi-structured interviews, CEO's letter to shareholders, and relevant press releases and media interviews/reports. For a qualitative case study involving interviews, Yin (2009) advised that an important role of a researcher is to try to ask good questions. The interview protocol/guide was developed in the form of open-ended questions with consideration to the objectives of the research. To ensure that the questions are good (Yin, 2009), the interview guide was shared with established strategy experts including first, the research supervision team and another leading voice in DC research (name withheld). Constructive comments received about the draft protocol/interview guide helped the researcher to sharpen the questions and prepared useful prompts that together aided the semi-structured interview approach employed. Nonetheless, some flexibility became necessary during each interview. For example, in some cases, respondents carefully avoided or clearly declined some questions put to them. The researcher respected such situations but rather find alternative subtle way to get more information helped. For much of the interviews, the researcher explored and controlled the direction of the conversation as necessary to generate rich and contextual data required to address the question and objectives of this research.

Access to interviewees/participants was through personal contacts and third parties (gatekeepers). The researcher contacted the interviewees in the first instance to negotiate a suitable time for the interview proper. The initial contacts were also used to try to build some rapport and to encourage and strengthen the confidence of the participants about the study, as they were mostly people that the researcher has never met one-on-one. This facilitated what one considers a relaxed atmosphere on the day/time of the interview. However, some of the participants were ready to speak even during the initial contact haven been pre-informed to expect a contact through a gatekeeper or referrer. Those participants seem to have derived sufficient confidence from the detailed explanation provided in the research consent form sent to them and/or the strength of ties they have with the gatekeeper or referrer used to access them. The researcher was prepared at all times and so maximised such opportunities.

Following Rowley's (2012) suggestion, a snowballing strategy was used as well by asking for recommendations to participant's colleagues in order to get additional interviews. One participant eventually cooperated by introducing two other colleagues. In total, the researcher conducted twenty-four (24) semi-structured interviews with senior and middle levels managers from the selected cases/organisations. One of the senior managers was interviewed twice. The interviews happened at different times between summer 2016 and January 2018 mainly through telephone conversation on accepted dates and time via telephone conversation. Telephone interviews can be helpful data collection means especially when access to face-to-face is proving difficult (Rowley, 2012), thus adopted. And indeed, literature shows that some high impact contributions in DC research e.g. Danneels (2011) derived from empirical data generated through telephone interviews.

The interview guide (see appendix 4) was designed to reflect the key objectives of the research and in a way that allowed the interview process to have three main phases, beginning with an introduction. The introduction phase in each interview often involved a short briefing or reaffirmation of the purpose and focus of the research; to give the participant a reassurance about anonymity and obtain permission to record the interview. Once those aspects have been discussed and accepted, the conversation often proceeded with formal or rather general questions about the participants' background, experience, position and their roles in the organisation. Table 4.3 below captures the anonymised profile of the participants.

Table 4. 3 Profile of Participants Interviewed

Organisation/Interviews	Participants	Position/management level	Experience
Abia (4)	ASM1	Senior manager	10
	ASM2	Senior manager	14
	AMM3	Business Manager	7
	AMM4	Business Manager	9
Bayelsa (7)	BSM1	Senior manager	16
	BSM2	Senior Executive manager	35 (retired)
	BSM3	Senior Executive manager	18
	BMM4	Middle manager	14
	BSM1 x2	Senior manager	16
	BSM6	Senior manager	19
	BSM7	Senior Executive manager	20
Cross-River (4)	CRSM1	Senior manager	16
	CRSM1	Senior manager	21
	CRSM3	Senior Executive manager	25 incl. 8 in SA
	CRMM4	Middle manager	9
Delta (5)	DSM1	Senior Executive manager	26
	DSM2	Middle manager	8
	DSM3	Senior Executive manager	18
	DSM4	Senior manager	16
	DMM5	Senior manager	13
Ebonyi (4)	ESM1	Senior manager	15
	ESM2	Senior manager	17
	EMM3	Middle manager	21
	EMM4	Middle manager	15

As table 4.3 above indicates, the twenty-four interviews involved six managers with senior executive role experience; eleven senior managers and seven middle-level managers. The managers have on average 16 years' experience between them – notably a considerable experience that enhances the validity of this study. Mostly represented include Bayelsa (7), Delta (5) Abia (4) Cross-River (4) and Ebonyi (4). Note that the actual name, positions, and organisations of participants were kept confidential. In the data analysis, the above pseudonyms have been used. This is for ethical reasons and anonymity as promised.

The second stage in each interview served as core. It focused on the main interests (objectives) of the research. Participants were asked open-ended questions about the Nigerian business environment, the challenges the managers and their banks were facing and why. This was intended at getting information to address the first objective of the study, and in what followed, explored for knowledge about different aspects of DMC implementation in the Nigerian banking industry, probing on how, why and why not. In the concluding phase, participants/interviewees were asked to comment on any additional perspective they have related to their organisation's key success factors. The aim was to get further opinions about any aspects that were not covered by the researcher's questions.

On average, each interview lasted for about 50 minutes excluding the time used to introduce each other and to talk about any concerns. In the course of each interview, the pragmatic use of the semi-structured interview as earlier stated also involved, 'varying the sequence of the questions' (Bryman, 2015; Nakpodia & Adegbite, 2018) where necessary and building on answers to probe for more information where more explanations were needed (Saunders et al, 2012). All 24 interviews were recorded electronically with the consent of the interviewees, and transcribed verbatim, personally by the researcher. In all, there were 288 pages in transcripts, and so deemed to be an appropriate amount of interview data.

Interviews if triangulated with other data sources often enhance validity (Yin, 2009). As mentioned earlier, data collection for this research involves other instruments namely, the banks CEO's letters to shareholders over the three years period 2014 to 2016, relevant press releases, and media interviews/reports. Nadkarni & Barr (2008:1404) defines CEOs letter to shareholders (CLS) as 'public statements made by chief executives responsible for charting their organisation's futures and are official documents that discuss the strategic themes that the senior management believe are important to the firm'. The researcher retrieved CLS from the company's annual report accessed from the investors' relation portal on the selected organisations' websites. For the CLS, the focus was mainly on the 2014 to 2016 documents. The reason is that it represented one of the most recent environmentally turbulent periods for the organisations, with a number of critical events and experiences e.g. the introduction of Treasury Single Account policy (Zubairu, 2015) and this research was particularly interested about how the manager's perceived and responded to that.

Secondly, based on CBN regulation at the time of this study, all Nigerian banks have adopted 31 December as uniform end of year accounting period, and are allowed a further four months at the end of each financial year to make their financial statement available to the CBN for approval and then to the public (see appendix 10). By January 2018 when the researcher formally ended data collection to focus on data analysis, it appeared that the selected banks' annual report for the year ended 31 December 2017 were not ready and a decision was made to focus on those readily available. Nonetheless, observation shows that the CLS and annual report for the period obtained significantly reflected key statements about the organisations' (banks') performance, activities and managements' strategic responses to dynamics in the business environment at the time.

The use of CEO's letters to shareholders as important evidence and valid measure of dynamic managerial capabilities e.g. perceptions, attention, and capacity for problems solving have been confirmed by Cho & Hambrick (2006), Nadkarni & Barr (2008), Eggers & Kaplan (2009) to mention a few. Eggers & Kaplan (2009) for example demonstrates that the CEO's letter to shareholders could be useful to 'capture time-varying attention to strategic issues' by a firm's management team (p.468). Nadkarni & Barr (2008) also used content analysis of CEOs letter to shareholders to reveal that managerial attention affected how the managers in 24 US firms responded to change in their industry. Consistent with these previous studies, this study also believes that CLS provided reasonable insights and true reflection of not only strategic choices but also the rationale for the choices of especially the senior management team of the cases explored.

Pisano (2016), and Martin (2011) also highlight the importance of involving other data sources like press releases and media interviews to shade more light on DC and DMC knowledge. Press release often refers to media reports about an event, person or entity, while media interviews are interviews with individuals (e.g. practitioners in an industry) by press/media organisation. Similar to Martin's (2011) data collection method, the researcher accessed press release statements available on the organisation's websites, and media interviews/reports; those related to the cases (Banks) strategic decisions, actions, and achievements. Reputable financial including Bloomberg and The Business Year (TBY) have transcripts of relevant interviews with the CEO/top executives of the selected firms on their website, Martin (2011), as well as evidence by this study, show that such subjective reports are usually salient in research.

Therefore, in all, the use of these different methods of data collection/sources availed this study of the quality of data required at the outset. It helped to avoid biases often related to a single data source to generate quite massive and robust data within the period available for a qualitative study (Blaikie, 2010; Yin, 2009). Through a combination of these data sources, this study also confirms that it can be more important to triangulate data in order to enhance the validity and reliability of the research outcomes (Easterby-Smith et al, 2002; Yin, 2009).

4.9 Data Analysis Process

As Flick (2014: 9 – 10) remarked, '…analysis of qualitative data often comes after data have been collected, recorded, transcribed and prepared'. Data analysis can be defined as "the classification and interpretation of linguistic (or visual) materials to make statements about implicit and explicit dimensions and structures of meaning-making in the material and what is represented in it" (Flick 2014:5). Data analysis in this research follows the qualitative content analysis (QCA) technique suggested by (Schreier, 2012; Elo & Kyngäs, 2008; Vaismoradi et al, 2013/2016). QCA is analogous to the theme-based content analysis (TBCA) discussed by Neale & Nicholes (2001) and arguably, one of the finest qualitative methods currently available for analysing data and interpreting its meaning (Elo, Kaarianen, Kantste, Polkki, Utrainen & Kyngäs, 2014). Bengtsson (2016) also confirms this.

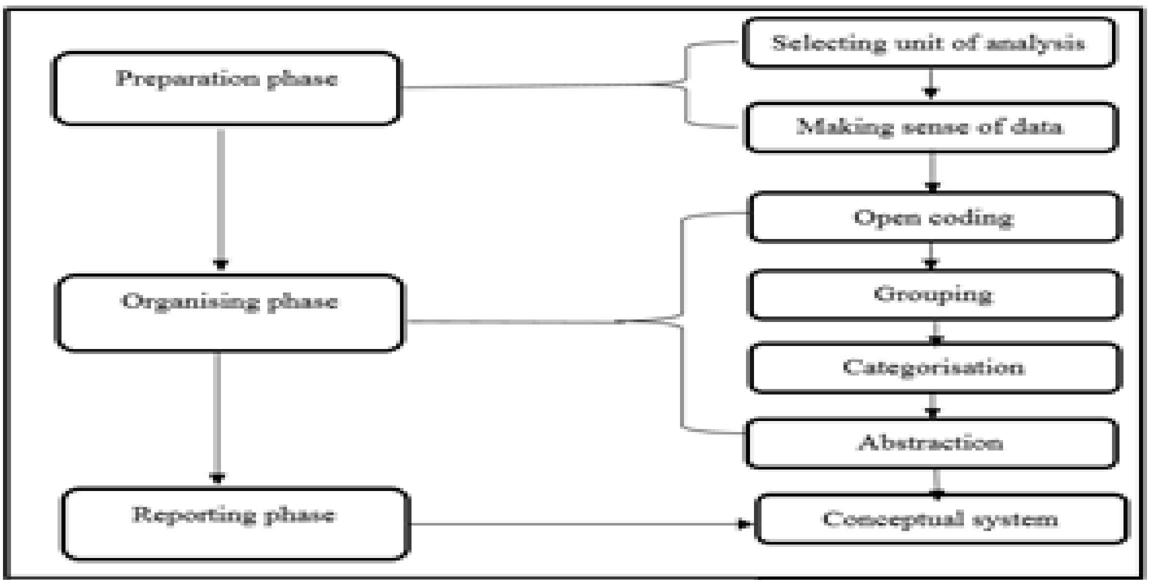
A number of key considerations and benefits influenced the use of QCA in this study. Firstly, QCA is an extension of both the ordinary (quantitative) content analysis (Elo & Kyngäs, 2008) and the standard thematic analysis (Braun & Clarke, 2006) in that QCA seeks to weave the two techniques into a cohesive qualitative analytical model (Schreier, 2012). QCA extends the standard thematic analysis by integrating frequency of contents identified in the data, considering that that, itself may be a vital message (Elo & Kyngäs, 2008; Schreier, 2012, Vaismoradi et al, 2013). Content in the context referred, may include: "words, meanings, pictures, symbols, ideas, themes or any message that can be communicated" (Holcomb, Okumus, & Bilgihan (2010:319). In this study, pictures were not used.

However, not restricted to quantitative interest/identification, according to Schreier (2012), and Nakpodia, Shrives & Sorour (2018) QCA takes on many characteristics of qualitative research especially, interpretivness, inductiveness, reflexibility, and flexibility. 'All qualitative research deals with some interpretation but are varied in depth and levels of abstraction depending on the method' (Bengtsson, 2016:8). The QCA essentially allows for subjective and in-depth interpretation of contents in the data through a systematic classification process of coding and matching themes and patterns (Heish & Shanon, 2005; Nakpodia, 2016). QCA similar to the thematic analysis confers the benefit of flexibility (Braun & Clarke, 2006) as it "is not linked to any particular science, and there are few rules to follow" (Bengtsson, 2016:8). Schreier (2012) also explains that the QCA allows data condensing in ways that can make it easier for the researcher to focus on the specifics. And as Vaismoradi et al, (2013) noted, QCA is consistent with the critical realism philosophy adopted by this study.

4.9.1 QCA Practical Process and the utility of CAQDAS

The data analysis process was aided by the Nvivo 11 software package, which is widely known for assisting in qualitative data analysis. Computer-assisted qualitative data analysis software (CAQDAS) helps to manage the data obtained and to automate some aspects (Dixon et al 2014; Nakpodia et al, 2018). Saldana (2013) acknowledges the utility of different CAQDAS available today but also notes that despite their usefulness, they remain only tools because they do not complete the analysis process. For instance, Nvivo can be used to support, and speed up the process but it does not replace the analysis process (Nakpodia, 2016; Bengtsson, 2016). It is still the responsibility of the researcher to find a way through the data (Saldana, 2013) in order to make meaning from the materials (Flick, 2014). As Miles & Huberman (1994) suggest, Nvivo helps in data organising, reduction, the listing of codes and identifying patterns. Elo & Kyngäs (2008) also suggested three encompassing stages of data analysis namely: preparation, organising, and reporting. Figure 8 below is illustrative.

Figure 8 Coding/Data analysis process



Adapted from Elo & Kyngas (2008) and Nakpodia (2016)

To find a way through the data in order to make meaning from the materials, the emerging themes and what is represented therein (Flick 2014; Saldana, 2013), three interrelated analytical stages/processes consistent with Elo & Kyngäs (2008) recommendation were followed. However, in this study, the researcher supported their idea with taxonomy similar to the technique employed by Dixon et al (2014) by incorporating retroductive reasoning in the process. Elo & Kyngäs (2008) espouses induction or deduction reasoning only.

Section 4.3 earlier on discussed the relevance of retroductive reasoning in this study stressing that it allows a researcher to develop “preconceptions and frames of references” (Tippmann et al 2014:210). Retroductive logic, if used with analytic induction can help a researcher to have an idea of the direction to go, although not too clear about what to expect (Blaikie, 2000; Dixon et al, 2014). The data analysis process in this study was by no means linear especially because of the nature/focus of the research, and DMC literature (in the Nigeria context examined by this study) is scarce. Table 4.4 below highlights that retroduction reasoning was relevant in the organising and reporting stage in the data analysis process.

Table 4. 4 Data Analysis Process/Taxonomy Incorporating Retroductive Reasoning

Stages	**Research Analysis objectives/focus**	**Data analysis process**	**The role of extant theory**	**Research Approach**	**Theoretical Output**
Stage 1 Preparation	What are the keywords and themes emerging from the dataset and their frequencies?	Transcribed interview Read through all the data; run auto coding, querying/ visualising keywords, themes	In the background and existing knowledge	Inductive	Concepts
Stage 2 Organising	What are the key stories or narratives addressing the question of the research: what, why, how, when?	Open coding, grouping and categorising the emergent themes and abstraction based on research objective Writing up cases	In the background and existing knowledge	Inductive and retroductive	Categories Causal relationships Rich explanations Stories/narrative
Stage 3 Reporting	What new insights emerged compared to extant theory?	Relations with extant theory; differentiate concepts - break-back concepts	Iteration between literature and dataset	Inductive and Retroductive	DMC/drivers

Source: Adapted from Dixon et al (2014)

As indicated above, the first stage was about preparation. In chapter three, it was earlier determined based on DMC literature that the main unit of analysis in this study is managers: their perception, attention, and problems solving actions in relation to the business environment and their organisation’s resource base. Clarity on that meant that the preparation stage simply proceeded with effort towards making sense of the data obtained. In this regard, scholars suggest that generating best insights often requires immersion in, and deep interaction with the data (Maher, Hadfield, Hutchings & Eyto, 2018).

In this study, ensuring deep interaction with, and immersion in the data began with the processes of listening to and transcribing the recorded interview personally by the researcher. Bengtsson (2016) suggests that transcribing is an interpretative process and it is preferable for the researcher to perform the transcribing procedure. Next in the preparation was reading through and familiarising oneself with contents of the interview transcripts, and other data sources (CLS, press release statements, media reports) accessed by the researcher. At that stage, it is important to note that Nvivo 11 was not yet involved. It was rather after that that the researcher imported all the materials into the Nvivo 11 software for the coding to start.

Coding refers to the process of asking analytic questions in the data, searching for and selecting relevant codes or segments in the data (Maher et al, 2018). In a qualitative study, a code can be a 'word or short phrase' that identifies, represent or summarise salient, interest-catching or suggestive ideas/understanding in a data (Saldana, 2013). The essence of coding is to reduce data whilst capturing the significant ideas, and understanding about a concept in the social situation/context being studied, and thereby develop novel concepts (Miles & Huberman, 1994; Saldana, 2013; Maher et al, 2018).

Although coding can be part of activities in the organising stage, in line with Elo & Kyngäs (2008) idea, this study considered some preliminary interaction with the software functionalities as part of the preparation stage – sense-making aspect of the data obtained ahead of the organising process. In particular, the querying function and auto coding was used at the preparation stage in querying, visualising, familiarising with, and identifying the most frequently used words, themes/concepts in the dataset. See figure 9 below captures word-cloud retrieved in the process.

Figure 9 Word Cloud of data

As evident in figure 9 above, the process allowed the researcher to generate a word-cloud displaying words, themes, and concepts mostly represented in the dataset. The size of words within the word-cloud reflects the density or frequency of the words, themes, or concepts in the dataset. However, the size of the words does not reflect particularly their relevance to the research objectives. For example, the word "Bank" appeared most prominent in the data (and word-cloud) because of the industry context explored and the frequency with which managers expressed issues about the industry and their organisation. In another example, the word "also" featured prominently not particularly because of its significance but due to the pattern of speaking or use of English by most managers interviewed. However, words like management, people, decisions, and retail whilst appearing relatively in smaller sizes compared to "bank" embodies 'pregnant words' as the organising phase revealed.

The next stage in the analysis was the organising phase. This involved exploring and probing the dataset extensively in order to pull pertinent abstractions. In other words, questioning the data with more focus on understanding and selecting stories or narratives addressing the what, why, how, when about the stated objectives of the study. Abstraction implies interpreting the narratives or stories and generating categories in ways reflecting the concerns of the research (Nakpodia et al, 2018). In line with the retroductive reasoning followed by this study, and as Tippmann et al (2014:210) suggests, the process often requires having "preconceptions and frames of references" or coding frame development (Schreier, 2012). Having that ensures that whilst one may not have a clear idea of what to expect, the researcher can have an appropriate sense of direction (Tippmann, 2014; Blaikie, 2000). In other words, it helps to maintain appropriate focus on identifying and selecting relevant aspects of a theory from the empirical data because it is possible to get lost in the data if the researcher has generated a huge volume of data (Nakpodia, 2016). In this study, the preconceptions and frames of reference developed from DC and DMC literature review (a priori) served as conceptual direction, with the expectation that the preconceptions and theory would be enhanced (Vaughan, 1992) by the emerging themes and findings from the empirical data.

Thus, after auto coding at the preparation phase, and with the preconceptions and frames of reference about DMC in mind, the organising phase involved the first cycle (open) coding process. More specifically, a process of opening up codes/themes, reading over again the managers' comments/opinions in the interview transcripts and other data sources uploaded on Nvivo, interpreting and selecting aspects that were relevant to the question and objectives of this research by coding them. As Saldana (2013:4) rightly noted, "Coding is not a precise science and "rarely is the first cycle of coding perfectly attempted". In this study, the process was characterised of moving forth and backward and trying to get better and more accurate with the coding. Thus, there can be multiple coding processes in the organising stage.

The second cycle coding is always an opportunity to not only improve on the first cycle but also to begin to categorise emergent themes and abstractions developments in order to facilitate and consolidate meaning (Saldana, 2013). In this phase, the researcher looked for similarities in subcategory themes, sorted, and grouped them as generic categories based on the relationships observed. From the second cycle coding process, three coding strands (or main categories) became prominent: complex business environment, innovation and capacity building, and impact of management and cognition. Figure 10 is illustrative of the coding frame showing, complex business environment as one main category. See figure 13, and appendix for coding processes capturing asset orchestration, and cognition as other main categories.

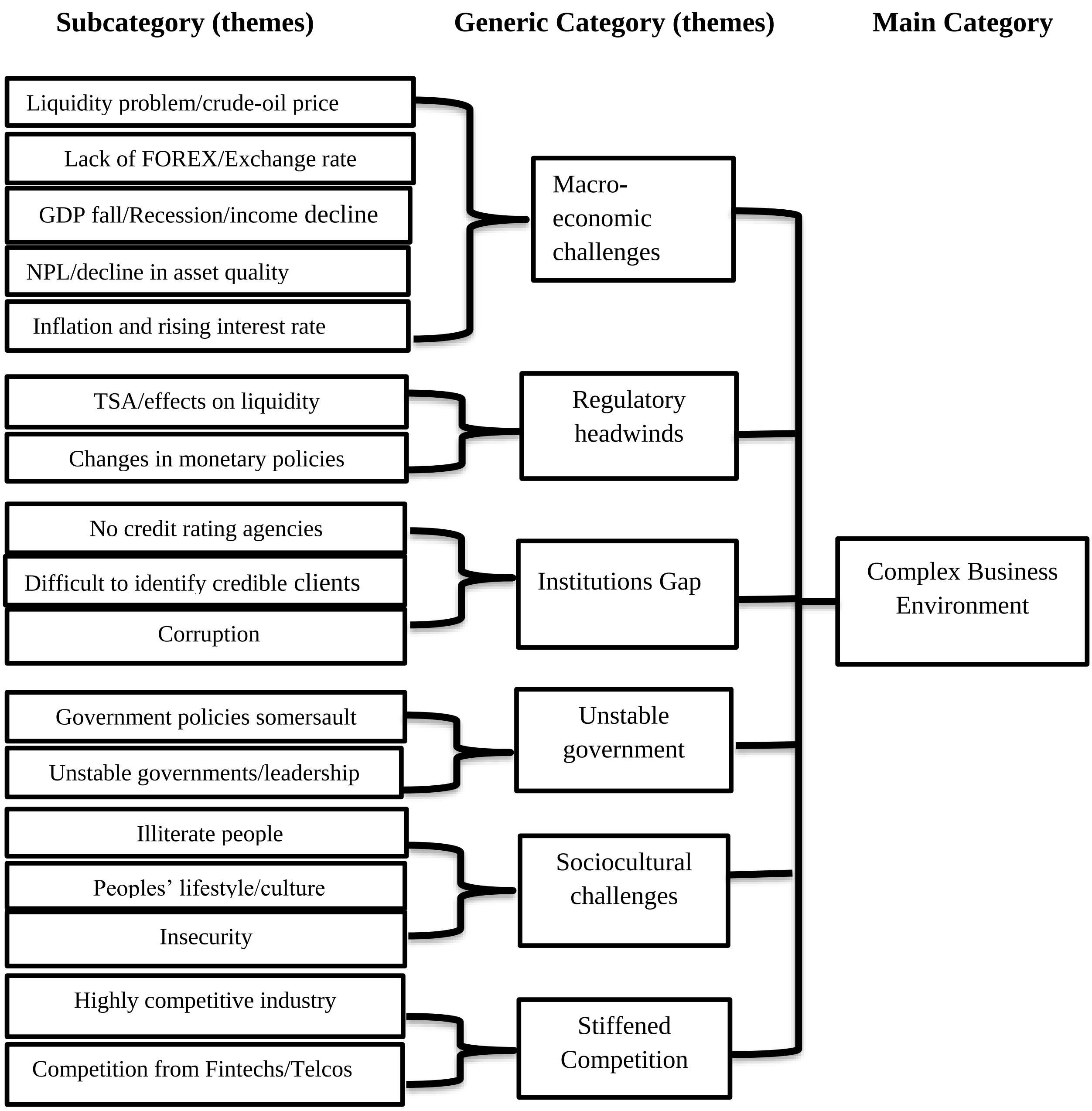


Figure 10 Sample coding frame - Complex Business Environment

As Bengtsson (2016) suggests, the main categories reflect the different areas of focal interest in the research based on assumptions in DMC literature, and the questions asked during the data collection stage. That is managers' perception about their organisation's business environment, responses to the environmental issues they emphasised, asset orchestration processes, and the underpinning (driving) behaviour allowing or constraining managers' efficacy on those roles (Helfat et al, 2007; Helfat & Peteraf, 2015; Martin & Bacharach, 2018).

The coding, grouping, and categorisation of data embody the abstraction process that served as the basis for the conceptual system in the reporting stage. In the reporting stage, contained in chapters 5 to 11 of this thesis, the researcher mainly structured the data analysis by using tables to show patterns and categorisation of common themes/ideas/opinions in the data. Themes, categories and actual linkages to DMC from the manager's perspective were inferred, redefined and used as the conceptual system and organising structure. The important comments and quotes observed in the data were highlighted verbatim in the reporting process in order to strongly underpin the analysis of findings. This thesis continues with the analysis of findings in the next chapters. The focus is mainly on aspects relevant to the scope and objectives of this research as earlier delineated in chapters one and three. After completing the within-case analysis, a synthesis chapter was used to compare findings through cross-case analysis.

In all, the researcher believes that QCA flexibility benefit ensured that the researcher "did not throw away the bathwater with the baby" unlike the standard thematic analysis that considers the frequency of codes as unimportant or ordinary content analysis with its tendency for taking away meaning from its context (Vaismoradi et al, 2013; Schreier, 2012). Before the presentation of findings, as Bengtsson (2016:13) suggests, all research must be open to criticisms and evaluation. The next section addresses this.

4.10 Limitations of methods

Despite the strength of the design and methodology of this research, it also has several limitations as most other research often do. First, although the researcher believes that the use of telephone interviews worked well. However, it would have been useful to also involve a face-to-face interview, which could allow the researcher to observe non-verbal cues in the process, and through that, determine if something different could be learned. Apart from that, some participants interviewed seemed quite careful and would not be drawn to answering some relevant questions. Based on ethical consideration, and assurances already provided, it was only necessary to respect that. Nonetheless, it is believed that the semi-structured interview technique used by this study aided the researcher to probe the participants in other ways that made it possible to obtain rich details while also respect the wishes of each participant.

Thirdly, the use of the CEO's letter to shareholders (CLS) would have been expanded to incorporate a wider timeframe – about ten years, including 2017. However, only annual reports for up to the year ending 31 December 2016 were available at the time the data analysis commenced by January 2018. This is mainly because the financial regulation in the country allows one end of year financial reporting, (see appendix 10). Nonetheless, other materials/data sources beyond 2016 e.g. press releases were also used to strengthen data. The use of Nvivo was a learning experience for the researcher. Whilst supportive in data analysis, it was also time-consuming with many aspects to learn about the software. Furthermore, the onus still lies with the researcher to find his way through the data (Saldana, 2013). This thus shows that some degree of subjectivism cannot be ruled out. However, the utility of Nvivo especially in helping to search and retrieve data was great. The auto coding not only makes it quicker but also helpful in facilitating a better understanding of the evidence that can be used to enhance the richness of research outcomes. The final chapter provides a comprehensive limitation of the study.

4.11 Chapter Summary

Discussion in this chapter documents the research design and methodology applied to address the question of this study. In particular, it shows that this research follows a philosophical perspective reflecting critical realism based on its consistency with the multilevel nature of dynamic capabilities and the managerial level focus of the research. In line with the adopted philosophical standpoint, this chapter also discussed and justified the choice of retroductive reasoning approach, qualitative research methods, and multiple case studies as a strategy for the study. This chapter has also discussed and justified the choice of Nigeria as the geographical context for the study and further detailed the data collection and analysis processes.

As explained in Chapter 3, the main unit of analysis is managers' behaviour/perspectives regarding asset orchestration or strategic change on an organisation's resources base. The stated unit of analysis reflects the consensus gleaned from the assessment of theoretical assumptions in literature and represented in the proposed research framework in this study to show that DMC deployment and development are evident or otherwise through causal powers that embody it. The influence of DMC on DC was analysed with consideration to asset orchestration and the extent to which the managers feel responsible/contributed to the strategic decisions and implementation of the strategic responses referred. The succeeding chapter discusses the findings of the study.

Chapter Five

RESEARCH FINDINGS AND ANALYSIS

5.1 Introduction

This chapter begins with the analysis of findings by this research in relation to its overarching question of this study **“**to what extent are dynamic managerial capabilities deployed in the Nigerian banking industry”. Based on methodological preferences involved in the study, specifically, a combination of data collection techniques and instruments used for the research; availed the researcher with enormous data. The analysis of findings has been organised to show first, within-case analysis i.e. findings obtained from each case and lastly a cross-case analysis for all five cases investigated (Eisenhardt, 1989).

Haven explained that space matters, managers’ interpretation of space or environment and to what extent it may contribute to making a difference (Sayer, 1992; Salvato, 2003; Tripsas & Gavetti, 2000; Sharma, 2000; Helfat & Peteraf, 2015) constitute an interest for this research. This research begins with analysis from the managers’ perspectives about the Nigerian business environment in terms of banking business. This is also consistent with the critical realist approach being followed by this research because of its holistic interest in building chains of causality (Easton, 2010), evidence (Yin, 2003) and uncovering the generative mechanisms of a phenomenon/event (Bhaskar, 2008).

Further to the participants' perspective about the environment, next in the analysis is a focus on the central aspect of the study this study, simply put: the extent/how-dynamic managerial capabilities are deployed and further developed in the study context. The analysis thus embodies findings capturing the strategic actions and responses by the management in relation to dynamics in the business environment, their intents or motivation. The third section focuses on the management roles and attributes managerial cognition that underpins DMCs uncovered by the study. For parsimony, note that discussion about the country’s profile, the Nigerian banking industry – history, developments, and key issues are all contained in the appendix. After this introduction, analysis in this chapter focuses mainly on the case of Abia (pseudonym).

The case of Abia Bank

5.1. Case Profile – see appendix 3

5.2. Business environment – challenges and opportunities

In the case of Abia, managers generally consider Nigeria as a "volatile macroeconomic business environment". Table 5.1 below shows the emerging themes about environmental challenges faced by managers from all data obtained in Abia's case. It also highlights the implications of the challenges referred to and some opportunities based on the perspective shared by managers.

Table 5. 1 Environmental challenges in the case of Abia

Focal Inquiry	Emerging themes/concepts	Categorisation	Implications for Abia
Business environment	**Economic downturn which led to:** Liquidity problem Shortage of FOREX and exchange rate problem High-interest rate, inflation, Decline in GDP, low household spending and recession **Regulation and political problem** TSA implementation CRR requirement changes **Sociocultural problem** Peoples' lifestyle – low acceptance of new technology/innovation	Business environment challenges	. Dwindling income .liquidity problem . Rising NPLs and strains in asset quality . Declining profits . Low capacity for lending Finding a novel and acceptable way to create value
	Nigeria's population: youth, unbanked and under-banked customers **Technology**	Business opportunities	Tap opportunity

5.2.1 Macroeconomic challenges

In the case of Abia, managers explained that one of the biggest challenges was the economic downturn they have experienced since 2014. In particular, managers shared sentiments about the economic effects of the fall in crude oil prices, suggesting that that led to stifle business growth, liquidity problem, and scarcity of FOREX, inflation and declining GDP in Nigeria's economy.

For Abia, the business implications of these issues were expressed in terms of decline in revenue, strains on asset quality, rising non-performing loans (NPLs), low-capacity for lending and drop in profits achievable. Two of the managers explained as follows:

"You know the oil prices we sell have ripple effects on our foreign currencies, our exchange rate. We have issues because ...most of the people that we give big loans to are usually multinationals and oil companies. We now have situations whereby you have given ...let's say $20m to XYZ Company two years ago at 130 Naira – that was the exchange rate then. ...But now, the exchange goes for like N380, do you see that the loan itself has automatically doubled to like $40 million?" [ASM2].

"...that same facility I granted to that customer in dollars, let's say $10m ...is now at about N300m. What it means is that without giving any facility, my risk-asset portfolio has grown thereby affecting my capital adequacy ratio. There is a threshold requirement. Therefore, there is a need to run around and beef-up capital so that you won't run afar of the law and ensuring that you still remain relevant in the banking system" [ASM1].

This meant that in Abia, managers found themselves having to find new ways to deal with (a) creating risk-assets and (b) non-performing loans (NPLs) already availed to customers, (c) how to source alternative funds to maintain the liquidity and (d) ensuring that the relevant regulatory provisions are consistently met. It was notable that when the participant was talking about "there is need to run around and beef up capital" [ASM1], he was not talking about operational activity rather a major step to increase/extend their capital base.

5.2.2 Regulatory and political challenge

Another key challenge significantly evident in the Abia dataset was the introduction of the treasury single account (TSA) policy in 2015 by CBN. TSA is a policy directive that required all government agencies to have one single account with the CBN as against the usual practice of having deposit accounts with commercial banks. Appendix 9 contains a copy of the CBN circular and more explanation about the policy. Regarding the TSA issue, participants saw it as partly political and partly regulatory. They consider it as political because the TSA implementation was at the instance of the new government that came into power 2015 and their anti-corruption policy.

It was also regulatory because the CBN has the sole mandate to enforce compliance with the policy. This meant that Abia returned all government deposits to CBN. The CEO in his 2016 letters to shareholders explained:

"...the Treasury Single Account (TSA), intended to ensure greater public sector accountability and efficiency, adversely impacted liquidity increasing pressure on the asset side of the balance sheets of banks" [Abia-CLS, 2016].

One of the managers interviewed by the researcher shed light on the above comment by explaining:

"…our major contributor of deposits is the federal government but the federal government introduced the treasury single account. …we have less money to do business because it's like your major investor or your major depositor pulling out all their cash or most of their cash" [ASM2].

This meant that Abia as with other rival banks had their financial deposit base significantly diminished and consequently needed to rebuild its capital position. To what extent the bank prepared for it can be crucial.

5.2.3 Sociocultural problem

Managers in Abia talked about challenges in driving innovative banking strategies due to the low level of acceptance by the less enlightened segment, which incidentally also constitutes a more significant proportion of the country's population. As one of the senior managers explained:

"When you talk about innovation, e-banking, and all that, you will notice that our level acceptability in this country is very low because you know the population of Nigeria is about 170 million; but if you work on that population, …the bankable Nigerians should be about 70 million. I am just trying to be conservative here. …people in the rural area, most of them are not well informed, about electronic banking, you need to put them through; you need to teach them. …most of them are not using the sophisticated phones that can be used to do most of these transactions" [ASM1].

This highlights the challenge of how to create value for people with such segments. It shows that the level of literacy and income level of people in a given society may constitute a challenge for DMC implementation. However, of the three categories of challenges discussed above, one of the senior managers also emphasised that:

"…most of the problems we have in the banking sector are either or between these two things I just mentioned to you. They are the root cause of our problems. Every other thing links to them; leads to them, or …arose from them because if you think back to before the introduction of the single treasury account and the oil price falling, the banking industry was

liquid; there was money ...but now everybody is just trying to cut costs, and focus on their retail" [ASM2].

Despite the stated challenges, Table 5.2 below captures key performance highlights (KPH) of Abia reflecting a growing and consistently good-looking performance by the organisation.

Table 5. 2 KPH in Abia between 2014 and 2016

Year	**2014 (billion Naira)**	**2015 (Billion Naira)**	**2016 (Billion Naira)**
Gross Earnings	245.3	337.4	381.3
Profit Before Tax	52.0	75.0	90.3
Profit After Tax	43.0	65.8	71.4
Customer's Deposits	1.45T	1.68T	2.08T
NPL ratio in %	2.2%	1.7%	NA
Total Assets	**2.104.3T**	**2.591.3T**	**3.483.8T**

Source: Annual report (2014, 2015, 2016).

The KPH in the table above shows that the results of Abia maintained a positive look in terms of earnings, profitability, customer deposits and total asset base despite the challenges. Buoyed by these achievements the CEO also declared:

"Despite the challenging economy, 2016 was a year of progress for [Abia] Bank. Many of the strategic choices we made over the years were validated when tested by the economic recession. These critical decisions included our business mix, our risk management culture, and our capital and liquidity strategies" [source: annual report, 2016].

As the above comment show, the management decisions as related to Abia's business mix, risk management culture, capital, and liquidity strategy were a key reference. In this regard, observations on more probes by this research are analysed in the next section.

5.3 Strategic Actions/Responses and DMC

Consistent with the above declaration by the CEO, table 5.3.1 show categories of themes capturing key strategic choices/response by the management especially against the backdrop of the stated environmental challenges from 2014 to 2016. The criteria applied in selecting the themes *inter alia* are based on managers' perspectives, and themes0 consistently identified in the dataset as related to the organisation survival, success and planned future actions. Note that the categorisation is only generic. Discussion in chapter 10 containing the synthesis and cross-case analysis of findings expands on the categorisation below in order to arrive at the main categories revealed by the study.000

Table 5. 3 Related DMC themes and categorisation

Theme	Category
. Building Africa's most respected bank – project 2013 to 2017 . Becoming the number one bank in Africa . Africa/global outlook . International banking operation . Implementing global best practices	vision/renewal and reputation building (setting high goals)
. Rights issue/$400 Euro bond in 2014 . N41.7b via rights issue in 2015 . $300m unsecured notes/N35 commercial paper in 2016; . 36% increase in deposit via new customers' acquisition . Optimise capital structure – debt/equity	Optimising/building financial capital base
. Strong focus on retail banking . Implementing a balance between corporate and retail banking strategies (business mix) . Implementing a value chain model	Implementing a diversified banking model
. Investments in digital and technological infrastructure . Lunched "Basement" in 2015 . Redesigned IT architecture . Upgraded core banking application FCUBS 12.0.2	Building digital and technological Infrastructure
. Co-creating partnerships with Fintechs	Collaboration and partnerships /Learning

5.3.1 Strategic vision renewal and building global respect/reputation

One of the most densely represented themes in the case of Abia data was about the vision of the management towards a "*corporate strategic objective* to become the World's most respected African bank by 2017. For this goal, findings show that in Abia, a five-year rolling plan for the project was already in place before the macroeconomic issue that began in 2014. The goal-setting approach in the context described in this case is consistent with DMC and Agarwal & Helfat (2009) idea of strategic renewal as a critical strategic change process. Before 2013, Abia has had different 'strategic goals': (a) to be ranked among the top ten banks and once that was achieved, (b) they aimed to be among the top five banks in Nigeria, which they have since achieved as well. It means a periodic review of corporate strategic objectives has become a norm in the organisation. The following comments support this:

"We did not target being one of the top three in the first five years, but rather in the top 10. Right after that, we wanted to be in the top five and be seen and known as the world's most respected African bank"[source: CEO interview with TBY].

"We have corporate visions and missions that everybody in the bank needs to know. At every five-five years, that corporate mission or vision is reviewed. So at that time is when you know where the bank wants to focus on" [ASM2].

"In [Abia Bank] we have a five-year plan that we have been working on 2013 to 2017 targeting to be the most responsible African bank you want to bank with. So we are just looking for a way to achieve that. We want to be the likes of Bank of America, Barclay's bank – so we have a goal. We want to be number one bank in Africa; number one not just in Nigeria, in Africa" [AMM3].

There was a clear intent to deploy a new corporate vision/strategy to search for/build respect, and the size of the organisation to regional and global reckoning. There is a commitment to renewing the project/vision every 5 years and a commitment to benchmark against the best in the world. It shows that the attention of the management is well beyond local competition.

5.3.2 Optimising Financial Capital Base

As an ambitious organisation, aiming to become the world's most respected African bank, in Abia, the management understands this and has been taking steps to build/strengthen the organisation's financial base. As explained by the CEO:

"A company needs a solid financial background to be the world's most respected African bank. It must have strong numbers, a global outlook, and a strong presence on the continent" [source: CEO interview with, TBY]. The term "strong numbers" refers to financial capital. Table 5.3 highlights a number of financial capital raising initiatives by the management in recent years – 2014 to 2016. In the 2014 CLS the CEO in his opening remarks also declared *"in 2014, we concentrated on reinforcing the financial health of the organisation in line with the corporate strategy of becoming the World's most respected African bank by 2017".* Thus, the rationale is clear.

As further explained in the 2014 CLS, *"The first of the capital raising initiatives was a debt issue through a $400m Eurobond in June. We supported this with a rights issue which we initiated in the last quarter of the year".* Abia followed the rights issue and Eurobond in 2014 with another rights issue in August 2015 which enabled them to inject a further N41.7b to the organisation's capital base. In 2016, Abia further increased her capital base by "$300m senior unsecured note and N35b commercial paper". According to the CEO, altogether, these capital raising efforts helped to maintain what he described as 'a robust balance sheet' by the end of the 2016 financial year.

Another way the organisation optimised its resource base was through new customers' acquisition projects. Analysis of the bank's business model shows this. As a financial institution, efforts to maintain a stronger financial capital position on an on-going basis in terms of growth and structure are reflective in other themes as well. It is also clear from the capital raising initiatives are strategic.

5.3.3 Building a Diversified bank

This is one of the most dominant themes in the case of Abia. This is consistent with what the CEO earlier on called "their business mix". The CEO and management team generally believes that they have continued to achieve strong financial performance mainly by sharpening their focus on creating a *"diversified bank with a strong retail base"*. Before 2014, Abia has had its main concentration on corporate banking sector with only marginal interest in retail banking. However, the CEO in his 2014 maiden letter to shareholders declared:

"Our retail represents the major growth opportunity for us as this will allow us to consolidate and diversify the returns of the existing business through our value chain strategy. We will in the coming year place more emphasis on our retail business" (Source: Annual Report).

From this statement, it was evident that the new leadership identified and drove the retail segment as an area of significant opportunity. It also signified a modification of the organisation's business model in order to play an active role in that segment. Fundamentally, the reason was to have diversified or an expanded income structure and the way to go about it was to increase their drive for customer service, acquisition, and retention. One of the senior managers interviewed by the researcher shade light on this strategic initiative quite elaborately by:

"...we started a campaign – a very big campaign, and the big campaign is focused on driving the retail. Most of the people that gave big money are government and international companies. Those companies are few; it is more like 80/20 ratio – that is 20% of your

customers give you 80% of your deposits and the 20% are the big companies: the federal parastatals, the oil & gas – Total, Mobil, Shell, and Oando, you know all those big companies. What we are trying to do is instead of getting a big deposit from customer X, customer X is one person – he is giving me 1 billion, why can't I go and meet one hundred people that will give me the total sum of that 1 billion – because those 100 people cannot remove their money at the same time.

When you drive retail, if your retail comes up you are going to be very okay because you don't need all the big-big money. You'll want them but you won't need them. Or even if you have those big monies, if they are removed, it is not everybody that will remove the money at the same time because they are plenty. So we have a campaign to drive retail and that is what we have been doing all the year and it is what we want to do in the next two to five years – to drive retail and improve on service. Service is going to be what differentiates you from your competitors. …Those are the two ways we are trying to solve our liquidity challenge and fluctuation in price. Once you drive retail – once you have retail you are okay. So my bank has always been focused on corporate, now we are driving retail" [ASM2].

Questioned and probed further to determine why the organisation has not has had less interest in retail banking prior to 2014, the recent initiative for retail banking model, two senior managers/participants in Abia differently commented as follows:

"We have always tried to drive retail but we have not focused on it this much because there were always funds from government and all those big companies. But now, that those funds are depleting, the business must go on and that is when you go back and you now sit and re-strategize – and you now think okay, where can we substitute these funds that are going from? And retail is a gold mine if you can tap into it because we have something to our advantage – we have a lot of population. …just think about it, Lagos itself is bigger than most countries in Europe. Think about where you have 60% of Lagos population banking with you; that alone is going to make you very-very okay out of the crisp" [SMA 2].

The above comments were quite revealing in many aspects. The rationale for a stronger drive on retail banking is to have a diversified model with not only diverse but also stable income stream. The discussion above also linked the strategic change to the challenge in the environment in terms of the lost deposit and income and on how to leverage the opportunities presented by the Nigerian population. This study also identified the effect of the new business model in terms of financial returns. The following comment by the CEO bears this out:

"Revenue rose across all operating divisions with significant support from the retail business, posting N12 billion in profit before tax and contributing 11 percent to Group profits. The retail business also contributed significantly to the 66 percent growth in fee and commission income, ensuing from the increased adoption and utilisation of our e-business channels and digital offerings". We grew total deposits by 36 percent year-over-year, despite the increasingly competitive deposit market. Total deposits at year-end were N2.09 trillion, reflecting our resilient efforts at growing market share".

As differently explained by the managers, this strategic response, to have a diversified business structure or business mix with a strong retail base is helping the organisation to navigate their way through the events they have faced. The financial contribution is evident. It is also evident from the above narrative that the implementation of the business model is driven, by the management's consideration to have diversified attention rather than a concentrated on corporate banking alone.

5.3.4 Regional and International expansion

For an organisation seeking global reckoning, observation shows that managers in Abia are committed to extension of their operations beyond Nigeria. The idea is to seek opportunities in other African countries and beyond, and essentially to match their vision to become the most respected African bank. The following comments highlight this:

"…we are not just in Nigeria … we have branches in some African countries too; we have a branch in the UK and they are doing well. We want to be the likes of Bank of America, Barclays bank – so we have a goal [AMM3].

"We have a hit map of places that we could possibly expand to. …We will add one or two new locations; though the contributions from all of those countries are marginal in comparison to Nigeria. We will, however, do them over time". [Source: CEO interview with TBY].

More information accessed from the organisation's website and annual report by the researcher shows that Abia currently operates in six African countries including Ghana, Rwanda, DR Congo, Zambia, Gambia and Sierra Leone, and one country in Europe, UK. This finding underlines the managers' commitment to a diversified attention that is not about playing only in Nigeria. The management continues to search for opportunities locally and internationally.

5.3.5 Innovative Technology and Digital banking capabilities

Abia in recent years has been using technology as an alternative banking approach. This according to the management involves "building capacity to innovate through technology and digital banking". This is according to the management is driven by their strong conviction and shared belief that technology and innovation would remain the key drivers of competitiveness in the Nigerian banking space and beyond. The following comment bears this:

"…we are building the capacity to innovate …taking advantage of the latest advances in Fintech, innovation and big data. …we upgraded our core banking application to enhance optimal service delivery across all customer touchpoints" [Abia-CLS in 2016 annual report]

In an interview with the research participants, one of the senior managers expounded on the basis of the investment as follows:

"…we want to drive our service through innovative technology. Innovative technology in the sense that banking operations that are manually done before, we want to make it what we can take to the customer and the customer can do for himself or herself. You want to transfer, you don't need to come to the bank to transfer; you can use your internet banking. If you don't even have internet banking, and you only want to transfer, you can use or if you want to transfer and you don't have internet on your phone, we have another platform for that. So we are focusing on driving service through technology, improving our platforms – making out platforms better; That is the major way we are improving the service" [ASM2]

One of the key insights is that even in the investment and development of the digital platforms, in Nigeria, the management provides for people who may not be able to afford the internet or sophisticated phones separately. The whole idea is to provide alternate banking platforms different from the normal banking hall transactions; allowing customers service options and for the banks giving attention to a diverse set of customers.

Table 5.3 above shows that some of the recent upgrades to the bank's core application to include: Flexcube Universal Banking System (FCUBS 12.0.2), Basement. In the 2015 CLS, the CEO reflects on the impacts of those applications by declaring for example that the new FCUBS 12 *"…has led to improved turnaround time, enriched customer interaction and enhanced the reliability of all our platforms in line with our mantra of speed, service, and security.*

The CEO reaffirmed this commitment in his LS, which declares, "*We continue to prudently invest in the right digital and technological infrastructures that result in a better customer experience, improved risk management and lower costs".* This declaration thus suggests a commitment to more investment in technology and upgrades on the digital banking capabilities of the bank on an on-going fashion.

Astute investment in technology infrastructure as evident in Abia's case is consistent with asset orchestration as Helfat et al (2007). Analysis also includes the modification of the business model of Abia; the international expansion, a commitment to having a diverse financial structure and then the management's vision to lead Abia to become the most respected African bank. This study has uncovered that attention diversity is relevant in the above strategic choices and investment. Findings addressing the third research objective.

5.6 How managers balance between routines and better strategic decision

In Abia, in relation to the research objective about how managers balanced between existing organisational routine and better decision enabling strategic change. The emerging themes mainly include; strategic thinking, self-belief, employee empowerment, communication, and learning. The understanding and context in which these terms were expressed in the data are next discussed.

5.6.1 Strategic thinking

In Abia's case, consideration implies that robust strategic thinking at the individual managers' level enables managers to find a balance between organisational routine and consideration or proclivity for process change. Related to the events that characterised the industry and its implication for the bank, perspective shared by managers was captured in the comment:

"The most tasking thing there is you have to put up strategic thinking and come up with something. Your strategic thinking might not go in line with what other people want. …You have to sit down and think about the project, the implication, what our customers expect, and customers' satisfaction. You have to look at the regulatory body, you have to look at implementation cost and procedure; you have to look at return on investment on that particular project. So there are a lot of things you have to look at. Strategic thinking is something that is key; one has to ensure that you capture a lot of areas that are challenging" [ASM1].

This means, first, that a manager must take responsibility involving an intentional effort to think strategically on a project, reflecting on all aspects. This may enable a manager to further learn about potentially questionable areas, hone them and based on that convince or leverage the support required to implement the touted strategic change. This is consistent with Di Stefano et al (2014) idea of learning-by-thinking, and hypothetically a creative thinking capability.

5.6.2 Self-Belief and Issue selling

Another concept was about self-belief on the project by the project initiator or the team looking to drive it. Typical perception expressed by one of the senior managers in the following comment:

"It is about believing in a project. You cannot sell what you do not believe in? You cannot make people accept what you do not believe in. you have to accept and believe in that thing first to enable other people to buy into it. That's the truth" [ASM1].

There are two aspects to the above comments. The term self-belief was used in the dataset to show that strategic change initiative must be underpinned first of all by a strong belief in what the team or project initiator wants to do. A manager can be able push through a strategic change initiative/project by demonstrating strong belief in it in ways that would elicit support of the board and the executive management team as the ultimate and penultimate decision-makers for the organisation. The second aspect highlighted is issue selling. The idea of issue selling was discussed in the data to reflect having to convince other people to agree with one's proposition. This means that in addition to the manager's belief, the communication aspect is critical.

5.6.3 Employee empowerment

Employee empowerment in the case of Abia reflects training and allowing people/managers a sense of responsibility. The understanding is that that would enable the manager to know what decision can receive support and which cannot. As the following managers explained:

"One thing I can say about [Abia] is they empower their staff. ...you give relatively junior people leadership positions earlier. For instance, I became a team lead at the level of an ABO and I was running a whole branch. In the industry, at that time, people that ran the branch are SBOs and above. So to answer your question; is just to empower the staff through independent decision making. Make sure that the staff have the competency to improvise if say the situation the system is down or that you have to get extra approval to a transaction especially if the approval is not or if the transaction is not infringing any CBN regulation" [ASM2].

"That is why I said to empower employees is part of our core values. When you are empowered to take decisions in line with your responsibilities, there are decisions you have to take because you are a professional; you know how these things run. So those that are within your own power to do, you do not need anybody because you have been trained as a professional and you have been empowered as an employee of the bank and what is within your ambit you can go on with it" [ASM1].

In talking about "not infringing on any CBN regulation" [ASM2] it can be understood that some of the decisions referred go beyond just operational activities to also decisions that tilts more towards overall corporate responsibility of the organisation. The comment also highlights the term "improvise". One may recall Zahra et al (2006) argument, which holds that improvising is less of dynamic capability in established firms. In particular, the keyword emphasised is about managers of staff empowerment - used to show that how managers go about their proclivity for strategic change while maintaining a balance with extant routine is to leverage on the fortified managers' capability to make the appropriate call.

5.4 DMC attributes and Influence/role of managers Cognition

Based on Helfat & Peteraf's (2015) operationalisation as adopted, some themes identified from the dataset provide insights relevant to cognitive underpinning DMCs in Abia's case. Table 5.4 below highlights the themes.

Table 5. 4 Themes related to Cognition and DMCs in Abia's case

Managerial Cognition	**Related influence on DMC and Innovation culture**
Leadership Vision/Belief	- Set high goals and inspired the strategic decisions and commitment which led to the achievement of key milestone noted in table 5.3.1 - as underpinning the project 2013 - 2017 initiative to become the most respected African bank and international banking operation - enabling sustainable banking with emphasis on the triple bottom line
Perception/attention	-perception and attention change led to the decision to implement a diversified business model with a stronger focus on retail banking - perceived opportunity in the Africa & Nigeria unbanked population
Problems-solving capacity	-demonstrated through search for alternative capital via rights issuing that cushioned the effect of TSA, NPLs and the liquidity challenge - initiative to purposefully embark on new customers acquisition as a strategy for building stronger customer and capital base, creating better quality risk assets, and risk management
Communication Buying-in	-highlighted as key competencies used/needed to obtain executive management commitment (buy-in) to a process change or innovation -it encompasses self-belief and convincing communication of own ideas
Attention Diversity	Towards modified business model, culture and Capacity building

Chapter Six

The Case of Bayelsa

6.1 Introduction

The organisation profile for the case of Bayelsa is contained in appendix 3. Analysis starts with the first objective of the research: to determine the environmental challenges faced by managers related to deployment of DMC in the context of Bayelsa.

6.2 Business Environment – unpredictable, challenging and headwind

Table 6.1 below captures themes and concepts reflecting managers' perspectives about the business environment in the case of Bayelsa.

Table 6. 1 Themes related to the Business Environment in Bayelsa's Case

Focal Inquiry	Emerging themes/concepts	Categorisation	Implications
Business Environment	**Downturn in the oil & gas sector** - Economic downturn – with effects on e.g. GDP, foreign exchange shortage, rising interest rate, devaluation of currency, inflation, liquidity, and low household demands **Regulation** – TSA; CRR; Changes in financial reporting standards Government policies summersault and Corruption **Sociocultural challenges:** - Fraudulent customers and inadequate supporting agencies - Security concerns - People's beliefs, lifestyle & illiteracy Evolving customers' needs	Unpredictable and challenging business environment	-uncertainties -Rising cost of doing business -Pressure on asset quality - A lot of NPLs -Liquidity problem -Fall in profit margin -less ability to fund businesses - so much risk - intensified competition
	High youth population Retail space; unbanked/under-banked **FINTECH/Technology**	Business opportunities	Grow customer base Leverage on technology to improve service, cost, and efficiency

6.2.1 Downturn and headwinds in the economy

Similar to the case of Abia, in the case of Bayelsa, managers generally expressed sentiments about environmental 'headwinds.' The term "headwinds" because managers differently used it to emphasise the environmental situation and the tension arising. In particular, as table 6.1 indicates, the specific concern was about the "downturn in the economy" due to the drop in the price of crude oil, which began in 2014. As one of the senior executives interviewed by the researcher explained:

"The major challenge is the fact that the environment is unpredictable. There is a lot of headwind in the economy. You could make a decision today that could be rubbished by one decision that a regulator or the (country's) economic team will take tomorrow" [BSM3].

Notably, this comment mirrors also the two key issues referred to by ASM2 in the case of Abia. From all the data sources, managers were also more specific on how the issue has affected them. The following comments bear them out:

"It has really affected our economic fundamentals such as foreign exchange, interest rate, GDP. ...As the banking industry, and a bank, we live within the confines of the economic system itself. So when the system is down definitely the banking industry will also be down. In the last 3 to 4 years, we have been on an economic downturn in the country" [BSM7].

"...contacts are not being awarded, companies are not working, contractors are not being paid money; workers are being laid off because they are not able to pay salaries. You want to give a loan; you are not sure whether the business is going to survive the next one-year [BMM4].

"....most of the loans availed to the oil and gas industry went bad (they became non-performing loans) because when you avail facilities to people, and they are not able to pay back..." [BSM1].

"...It is an offshoot of what has been like a mono-economy; where most of our foreign exchange is earned through oil, export of crude oil. ...Of course, that affected the banking sector because the economy generally is largely import-dependent. ...it will affect every other thing. ...At a point, the level of inflation in the country was about 17% - 18%. So, you can understand what I'm talking about and the consumer price index also went up seriously. So, you can understand the biting effect" [SMB6].

From the above comments, the challenges faced by Bayelsa managers are notable. The managers share about similar issues, which all mainly suggest that it was a tough operating environment mainly by depending on the income from the stated sector. Then, of course, BMM4 also linked it to government inability to meet their obligations to contractors and worker, all of which appears to affect them significantly as clearly BSM7 admitted.

6.2.2 TSA and Industry regulation

As earlier mentioned, another unprecedented aspect was about the CBN regulation regarding TSA. Managers interviewed in Bayelsa's case also rued this recent development, and typically declaring:

"It impacted on liquidity of all banks depending on how significant government funds are in the business of each bank. ...it put pressure on interest rate because banks had to struggle to get funds to replace what has left through TSA. Over 4 trillion left the banking sector to CBN because of TSA" [BSM3].

"...it affected us so much because we had more than 5 billion dollars if I am not mistaking, that we returned" [BSM1].

From the above, comments it was evident that Bayelsa lost significant deposits due to TSA, which became a huge problem for them. Bayelsa CEO in an interview [press] also reflected on other significant regulatory changes:

"Quite a few regulatory policies came into play, there were three in the first half of the year [2016 refers]. The cash ratio played a large role in the harmonization of private and public sector funds, which hurt us due to our portfolio. Then, of course, the new foreign exchange laws have not helped. We command quite a lot in terms of the trade and business that goes on, and there has been a vast drop in trade as a result of the availability of funds, especially in light of the economic situation and the drop in oil prices"[CEO in TBY interview].

"...a couple of changes have been happening especially in terms of some key statutory ratios like capital adequacy, liquidity, and cash reserve requirement. All those things change and they put some kind of regulatory requirements that are having implication for the reporting and performance monitoring activity of the institutions" [BSM3].

The impacts of the statutory/cash ratio aspects are reflective in the CEO lamentation that it "*hurt us due to our portfolio"*. In the context of banking, the portfolio simply refers to the financial assets of the bank. The regulatory changes on capital ratio requirement (CRR) and other statutory ratios mainly referred to by ASM3 despite their attendant impact were always expected given that reforms/changes in the local banking system has been more or less an on-going phenomenon since 2004/2005 bank consolidation. However, the capital ratio/adequacy requirements pressures, one in terms of compliance, and two, in terms of business exacerbated the less predicted issues/changes, partly touched on in the CEO comment above.

BSM2 summarised these issues as follows, *"Now that there is a downturn in the oil and gas sector, now that government has ruled that all public sector institutions should keep a single account with the CBN. It immediately affected the liability. ...* - *"so the deposit available to the bank was grossly inverted in terms of how much money available for lending and how much we could make available to the real sectors of the economy"*.

6.2.3. Systemic corruption/ muzzling out the real sectors

In the Bayelsa dataset, another key issue pertains to sociocultural factors. Participants in the study discussed about systemic corruption in different forms. Understanding also emerged that that is contributory to why the real sectors of the economy appear to suffer neglect. The following observations were insightful:

"Prior to this time, the system was so corrupted that government officials for which bank that pays them the highest returns, not as government organisation but as individual managers in those public sector organisations. …One government department could have up to 40/50 accounts. It was inefficient in terms of managing the liquidity of those public sector institutions. It was the greatest problem because of inefficiencies in the system of the organisation keeping it; it corrupted the system so badly, it also stunted the growth of the real sectors because there was perhaps inadvertently what I will call a muzzling out of the real sector from credit by government and by the activities of bankers" [BSM2].

"You may not be able to do much because you know also that dealing with government in this country we require you to do something outside banking; you know what I'm talking about, bribes and all those things on the ground before…" [BSM7].

"…why should I go and spend my money to fund the real sector when I can carry the money, get it from the government at zero%, go to CBN buy treasury bills at 15-20% make a lot of

margin? Or, give government loans, state governments, federal government – give them loans with their own money and you make a lot of spoils from it" (BMM4).

How the systemic corrupt practices also shaped the management's thinking was also reflective in the comment shared by BMM4. One of the managers also told the researcher that even when CBN announced the TSA policy, based on systemic corruption; many did not believe that the government could do that. It seems that consideration in many quarters including Bayelsa was the tendency for government summersault on the policy as hinted in BSM3. The influence of this goes well beyond the impact on liquidity but on the cognition of managers.

6.2.5. People's Beliefs/lifestyle and education/literacy levels

Data from the Bayelsa case also include sentiments related to people's beliefs, lifestyle and levels of education in different parts of the country. Managers expressed their frustration with peoples' indifference and reluctance to embrace technology-driven banking due to illiteracy, strongly held beliefs and approach to things. The following comments bear this out:

"…it was a big challenge, taking into consideration the kind of people involved here. Some of them are uneducated people. Some of them do not have some of these android phones with which you can transfer money from the phone from one account to another. … They transact business in cash only…They do not want to embrace this new technology of apps… (BSM5)".

"Nigerians in general always have a short-term approach to things. You can hardly find people taking decisions that would transcend one year two years because you cannot define what is on the horizon…" [BSM3].

In other words, with much suspicion among people of a possible sinister or fraud made easier through technology. Managers' faces considerable challenge of having to try to think and figure out how to educate and encourage people to embrace novel technology and digital banking process. This was viewed as a peculiar challenge for their industry compared to countries where they believe technology has taken over and helping to make banking less expensive and risky.

BSM3 pointed out, because of a short-term approach to things by individuals as a matter of culture, it is difficult to plan. In sum, it has been a more difficult period and a challenging business environment for Bayelsa. That also translated to subpar financial performance. Bayelsa's KPH below reflects this.

Table 6. 2 KPH in Bayelsa's Case between 2014 and 2016

For the year ended, December	2014	2015	2016
Gross Earning	208.4b	217.1b	212.4b
Profit Before Tax (PBT)	**28.1b**	**7.1b**	**5.0b**
Customer's Deposit	1.493T	1.23T	1.42T
Customer Base (million)	4.4b	5.5b	6.5
Non-Performing Loans (NPL)	NA	NA	NA
Total Asset	1.933T	1.75T	2.11T

As the above table show, Bayelsa only managed a PBT of N5.0b by the end of 2016 compared to N7.1b in 2015, and N28.1b in 2014 respectively. Total assets dropped from N1.933 trillion in 2014 to N1.75 trillion by the end of 2015 but also show a rebound of total assets to close at N2.11 trillion by the end of 2016. There is no doubt that the numbers indicate a significant dip reflecting the most challenging period for the organisation. However, the numbers also reflect some signs of resilience by the bank and the management.

Notably, customer deposit, customer base, and total asset all showed improvement by the end of 2016. This signifies a commitment to rebound and continue to create value for all stakeholders. Implication of this as one of the senior executive commented was that:

"…you must continually put on your thinking cap, read the situation right and come up with responses" [BSM2].

The CEO in a CLS in 2016 also surmised: *"The operating environment is evolving and the survival of service institutions is being determined first by the ability to anticipate market demands and secondly, the agility in responding with the right solutions within acceptable risk thresholds and in compliance with governing regulations and global best practices".* Consistent with this viewpoint, the next section focuses on key strategic actions, responses, and solutions identified in the case of Bayelsa.

6.3. Strategic Actions/Responses – from the management's viewpoints

This section presents findings about dynamic managerial capabilities deployment in the case of Bayelsa. Table 6.3 below presents a summary of concepts/themes reflecting strategic change and DMC in the Bayelsa case.

Table 6. 3 DMC related themes and categorisation in Bayelsa's Case

Theme	Category
. A leading retail Nigerian bank through . Becoming number one bank in retail banking . to become the fastest-growing retail bank	Vision /Identity seeking
. Raised N50.4b via rights issue; $US147m via FDI in 2014 . Increased/mobilised deposit via new customers acquisition – grew by 15% from N1.23T by 2015 to N1.42T by end of 2016; . Financial inclusion/banking the unbanked/under-banked . Improving liquidity position	Building strong/diversified balance sheet
. In 2016, created new regions/directorates e.g. retail . Reduced span of influence/control . Redesigned business operating systems	Restructured business operations and structure
. Stronger focus on retail banking strategy . Implementing value chain model/supporting start-ups . Leveraging on mobile agents to enhance access to banking	Redesigned/Implementing diversified business model
. Deployed CRM project . Upgraded core banking platforms . Invested in POS and ATMs . More investments in digital IT platforms/ banking strategy	Investments in technology and digital banking strategy
. Developed new partnership and co-creating with Fintechs . Mobile agents used for wider and quicker customers . Collaboration with employees/customers/suppliers/Fintechs	Collaboration and partnerships /Learning
Source: Annual report 2014 – 2016; press releases and interview	

6.3.1 Strategic Vision and Identity/Brand

In Bayelsa, first, data show that the shift in the business environment coincided with a change of their CEO in 2014 following the resignation of the Ex-CEO. Under the new leadership since 2014, *for* Bayelsa's, theirs is a *"strategic objective of becoming the fastest growing retail bank"*. It suggests a paradigm shift with the imprint of the new leadership/management team appearing influential because this objective was a bit different from what the website declared. Questioned about how this strategic objective changed; one of the participants interviewed who served within the executive management explained as follows:

"… we call it the decision of the board but it is the CEO that determines the vision, take it to the board for approval; so, it is actually your vision as approved by the board that you have the responsibility to deliver on. …The first challenge is to convince your team, whether it is the board or management that this is an area we should play in because you analyse the economy and …is the way everybody is looking and there are business opportunities activating [BSM2].

From the stated strategic objective, the message is clear. It signified an attention shift. It also reflects the problem-solving capability of the new leadership given the dynamics in the environment and its effect on the organisation's performance as evident in table 6.2 above. The leadership used the new retail mantra to transform the mind-set of their workforce. It also talked about convincing your team. Next is a focus on exactly what the management did.

6.3.2 Building a healthier balance sheet

Related to the liquidity problem discussed in section 6.2, Bayelsa responded by a commitment to building what they referred to as "building a healthier balance sheet". A balance sheet often refers to the assets, liabilities, and capital of a business. The idea was to try (1) to grow its financial base essentially to replace funds lost to the TSA policy, (2) to have a more stable capital base structure to guard against another negative experience in the future. Data sow different approaches adopted. Through seeking for capital/equity investments, the bank, successfully raise N50.4b (via rights issue) by 2014. This was followed by a further $US147m [FDI] equity investment in 2015. The 2014 Bayelsa--CLS confirms about the N50.4b:

"Distinguished shareholders, I am proud to announce to you that your bank successfully raised …N50.4 billion via a rights issue in the second half of the year 2014. …the success of our capital raising exercise was amidst macroeconomic headwinds underscores your bank's strong industry positioning and growing confidence in our brand. …The additional capital has proved useful towards our business expansion initiatives especially increasing our capacity to finance 'major deals' across our business segments as well as fund our footprint initiatives further deepening our retail banking penetration amongst others".

Further comment related to the FDI is not included here just for space. It means that prior to that financial injection; the bank was not able to fund big-ticket projects. Other approaches involved seeking cheap deposits from retail banking and 'value chain management' (discussed next). Another thing was to implement cost reduction/containment and cautious lending strategies.

6.3.3. Redesigned/created Innovative Business model

As mentioned earlier, Bayelsa managers responded by shifting their attention to almost a 100% retail banking model. Management expressed belief that the retail-banking model would facilitate their competitive survival through more (a) liquidity and stronger asset base, considering that (b) there is no more government deposit, and (c) the situation of the economy, and (d) recognition of the opportunity presented by the nation's huge population. The redesigned business model of the bank entails that Bayelsa now has a stronger focus on retail, value-chain and mass-market banking model also called financial inclusion and agency banking. The following comments sum this:

"We know that this is going to be a problem - The oil and gas sector of the economy was going to have a big problem because it is foreign exchange driven. ... So, what we did was that we began to position ourselves to be the best in terms of retail business because there is a lot of volatility in the economy with respect to the oil and gas sector, with respect to power, with respect to corporate banking" [BSM7].

"…before we were running this structure of corporate – that is the big players. …because of the huge income that was coming from the corporate banking and business banking aspects of the bank, we were not paying much attention to the retail segment. But when we now set up a strategic team that now investigated; reviewed the market and saw that we have huge opportunities in the retail strata of the economy. ….that we have many people that are not banked at all – we call them unbanked …That's when the bank decided to go into full 100% retail because we saw several opportunities there. We saw several emerging businesses there that are doing very well – that if we can be able to focus our attention on some of these emerging businesses, we will do better and we will earn more income coupled with the fact that they are many in number" [BSM5].

"Our banking model is purely retail. …We are channelling our effort in creating customers in the mass-market space because, of a country of over 170 million people, retail is the way to go. …we had to position ourselves for it; we mop-up deposits from all these mass-customers. [BSM3].

Note that in the case of Bayelsa, the mangers explained that theirs is a 100%, retail-banking model. Beyond the need for immediate survival, central in the initiative for the retail business model in Bayelsa was also to ensure business sustainability and survival over time. Consideration implies that it was best to concentrate on the retail banking model and build a sustainable capital base and income structure. The following comment brings it more interestingly:

"We are not in for a dash, we are in for a haul, a long walk; and if that is the case, you must also begin to find out what will I do today that my business will be sustained tomorrow. ...Supposing that today we are not even selling petrol again, how will I still continue with business?" [BSM7].

It thus represents an attention shift with a clear constructive and strategic agenda. In the data, the managers also used the concept of value chain management and a number of other terms as I mentioned mainly to highlight the different dimensions of the retail-banking model. The following comments show this:

"If I take a corporate, I am not thinking of the vanilla transactions – how do I lend to him? Those are basic everybody could do that. I look at how does he operate, if he produces – what is their route to market, who does he sell to, who are the people involved in that chain? Do they need finances? Do they need support? Do they need some training, how do I get involved? Some of the distributors, the suppliers, the sub-distributors, all the retailers, what values can I bring to them? So, I am not just thinking of the corporates as conglomerates, am actually thinking of all his value chain ...those are the areas we are deploying resources in terms of technology, in terms of lending and all that – because is less risky [BSM6].

"I will consider myself as one of the pioneers the idea of providing support services in the oil and gas sector. If you understand the oil and gas business, it's quite a heavy ticket item, that's number one; ...if you identify credible service providers for Shell, you will be part of the ...value-chain making the operations of Shell successful. And given the size of my balance sheet, I may not be able to lend money to Shell directly for drilling its wells but I can support the vendor who is providing Shell with water, catering services or security services in the offshore location" [BSM2].

The above suggests that the idea is to diversify the attention. Rather than focus on one major oil provider, which is risky. Relatedly, Bayelsa also embraced the concept of 'financial inclusion' recognising that going "beyond banking" (to use their own term) to provide support to the real sectors of the economy is a win-win to itself and customers. To them, it is a social responsibility for them to contribute to building a stronger economy by supporting individuals and small businesses. Bayelsa demonstrated a stronger commitment to this project when it created a financial inclusion division to manage both its recorded milestone and future endeavour on the project. In a letter to shareholders in 2015, the CEO explained:

"We created the financial inclusion division to consolidate on the success achieved thus far in … propositions and other inclusive banking products. This is in line with our belief that retail banking implies providing lifestyle financial services and supporting individuals and small businesses" [CLS, 2015].

Some success of the strategy was also identified in the dataset as the bank reportedly maintained resilience on the back of which grew by over 300% after *"acquiring a total of 5,920,190 in 2015"* alone [press release]. The management is strongly convinced about this strategic focus as the CEO in a press release explained:

"We believe the macro conditions and other external factors will remain challenging for the rest of the year and well into 2017. However, by pursuing our …retail strategy and with our focus on innovation and scalability, we believe the Bank is well-placed to benefit in the medium to long term from the favourable fundamentals in Nigeria, namely a large population, many of which remain unbanked. This strategy stands to benefit all stakeholders, including our shareholders and customers in the long run" [Bayelsa Press Release].

6.3.4. Restructuring/reorganising business operations/structure

As an organisation aiming to become 'Nigeria's fastest-growing retail bank' the management took a deliberate step to restructure the organisation in line with the stated aspiration. Related terms like restructuring, remodelling, and reorganisation of business structure and operations are significantly represented concepts used in the data to describe this effort in the Bayelsa case. Two of the contexts in which those concepts were-used are particularly relevant here. First, the bank's management as against its original four business segments identified in the company's profile (see Appendix 3) now focuses on three core banking segments with the retail-banking component as prime. Secondly, the restructuring involved creating a retail-banking directorate to ensure effective management in terms process, scope, and control of each division. As evident in the CEO's letter to shareholders:

"We remodelled our operating structure to be more responsive to specific needs of our expanding and well-diversified customer base, signifying the commencement of the next phase of our medium-term growth strategy" [CLS, 2016]. He wrote further:

"We restructure our retail directorate, creating five distinct divisions that are manned by senior specialists, and focused on serving key segments of the retail market" [Bayelsa-CLS, 2016].

In other words, this structural adjustment was needed in order to "ensure managers have closer supervision of the business areas in order to build a stronger customer relationship". This is understandable as retail banking deals with the mass market. Two of the senior managers interviewed buttressed on the intent of the management more interestingly by explaining:

"You structure your business in line with your strategy. If your business structure does not align with your strategy then you can't do much. Our system internally is now structured to support the retail business that we are doing. …We are driven by that mind-set; the operational system, the IT architecture, the branch network, the individual procedures of the institution; they are all geared towards supporting the franchise, that's what we are pushing" [BSM3].

"We want to be the number one retail bank in the country. And that is how my own role now came in that I am now in charge of the performance of retail business in the …Nigeria [Bayelsa Bank]" [BSM7].

The mindset of the management team as fundamental in modifying the bank's operating structure was clearly reflective in the above comments. It also reflects a clear purpose for what was done. Efforts towards orchestration and reallocation of resources as deemed best to support their concentration on the retail banking model as key functions of top management team (Helfat et al, 2007) was evident too just as the involvement and responsibility of some participants in this study in the process was clearly highlighted. Another aspect captured within the restructuring theme was about the management's decision to operate a flat structure against the bank's traditional hierarchical organisational structure. Central to this strategic initiative was the need for better communication, quicker decisions making, to foster better working relationships to support the new retail-banking model of the bank. As the followings comments confirms:

"During the year 2016, we embarked on a functional reorganization of our business development model by reducing the span of control of the heads of branch clusters. This new structure has improved our agility in responding to the needs of our diversified customers by providing niche services at respective branches" [CLS, 2016]. What that means was that:

"…even though we have our delegated authority, our organogram, and our structure is flat. We can easily reach the next line manager; it is very easy. …We create freedom of expression within the system - in such a way that if somebody is a manager and you don't get your immediate line supervisor/manager; he's not available, you can go to the next person" [BSM7]. Another senior manager interviewed in the study similarly confirmed:

"We run a very fluid structure that tries to encourage a lot of engagement and that kind of relationships such that one, there are no barriers, there is no fear – we try to relate, communicate easily and then try to make sure business decisions are taken faster and all that [SSB6]. The cognitive underpinning the decision for this reorganisation and to implement fluid/flat structure was summarised in the CEO's comment: *"We are convinced that this realignment will enable us to consolidate on the gains of our past performance and proactively respond to future market needs in order to deliver on our strategic objectives over the coming years"* [CLS, 2015].

6.3.5. Investments in Innovative technology and digital banking strategy

Another densely represented theme in the data was the focus of Bayelsa on the deployment of innovative technology. This is in terms of both digital processes, products that are customer-centric and infrastructure upgrade Much of the consideration expressed in the dataset entails that implementing digital banking approach has helped to facilitate wider reach and increase in their customer base, reduce cost of operations, superior customer engagement and services, and profitability. The management cognition and commitment towards innovation and digital technological was captured quite interestingly in the Bayelsa-2014 CLS as follows:

"…We are convinced that the banking business has evolved into one that utilise broad customer-centric channels to deliver superior customer experience. From the 'brick and mortar' footprint, technological has availed us the opportunity to explore other means of delivering quality service to the banking community…. (2014 Annual-report).

"At [Bayelsa], we believe that technology is the future and digital banking is the way to go. We will accelerate digital banking through information and communication technology to help people move to easier, more convenient and more secure ways of carrying out financial transactions instead of carrying cash. We believe this can be achieved with the amount of infrastructure that we have invested in technology".

In Bayelsa, participants in the study commented about the strategic efforts of the organisation on digital positioning and provisions. As one of the senior managers [BSM6] expatiated:

"We took an intentional decision to digitalise our process; …, everybody went back and did some work, …an evaluation of your processes for instance, internally and the question is which of these processes can we immediately digitalise or move out of manual processes and then you come up again, you set timelines and then you are the originator, you carry it on, then the IT guys will look at it – what is involved? …it's an intentional drive to use digitalisation to enhance profitability, to derive customers and reduce costs. It's an organisational drive so to speak. So anything I do today, I ask myself why I don't use a cheaper, easier, more efficient digital way to do it. Why do I have to do it? So it's like a consciousness that has been created".

Continuing on this subject/theme, [BSM6] further explained as follows:

"…internally too we've gone paperless more or less, the paper we use very-very minimal, a lot of things are monitored electronically and digitally such that you do not do a lot of manual things, and then meetings are held with Skype business with all kinds of technology; so we really don't need to move too much, I don't need to leave my office go to another place am supervising, and that essentially reduces your cost because there is not too much movement.

…So we keep looking at each process, approval processes are digitalised; so I don't have to send a mail, you know there are work processes – workflows, you want to do a credit there is a workflow. You go there write your request and it comes. So there is tracking, efficiency comes in; so if I have a workflow come to me, you know when it came. So, you can't wake up and say oh I didn't see it, if it stays with me two days everybody knows and everybody get some alter that I can tell you where my requests are, and who is sitting with and what actions are being taken on it; so those processes, credit processes, approval processes, they are all

digitalised now; you don't send mails, you don't carry papers around and it brings in efficiency, reduces cost and all that. So a lot is going on, we keep looking at the processes and modifying and improving them" [BSM6].

On digital products by the bank, the managers also explained that productive partnerships have been developed with telecom firms e.g. MTN and financial technology firms e.g. VISA and being deployed to try to push these products and services to the target markets.

"In retail banking, they come in trickles. So as a bank, we drive it using technology, we use technology to reduce the crowd in the bank. You see that most banks now have mobile apps, ATMs are being deployed all over the place so that people bank outside their bank; they can use their phone to transact business. People buy recharge cards through their phones; people do transfers through their phones. All these channels are now being created because when you recruit that large army of customers; it becomes very expensive to schedule or keep them within the banking halls" [BMM4].

"What we are trying to do is to migrate from 'Brick and Mortar' so that bank can be in your hand through your mobile phones, through your iPads, through your online and so many of those things" [BSM7].

"*In the digital space, we have done quite a lot, again if you look at the population, the youth population, the upcoming population – everything is mobile these days. I mean people use their*

So, in line with the above, at the time of the data collection in 2016 – 2017, there was already a change in the mind-set in Bayelsa reflecting that the future would no longer be about branch network expansion rather taking banking to customers with technology providing the interface.

The commitment of the management to upgrading Bayelsa's core banking systems and infrastructure was also evident in the data. The banks invested considerably in modernised ATM and POS terminals in terms of both the addition of new units and active digital platforms. For example, POS was increased from 5162 in 2014; 8252 in 2015 to 10975 in 2016, while ATMs also increased from 840 in 2014; 974 in 2015 to 1059 in 2016. This was intended for helping to promote efficiency, and cost optimisation by keeping as many customers as possible away from the banking hall (Source: annual report/CLS 2014, 2015 and 2016).

Relatedly, Bayelsa managers upgraded their mobile App with additional service and security features. To support all that, the bank also deployed a new Customer Relationship Management (CRM) platform which was aimed at data storing, tracking and managing customers' relationship and interaction with the bank to continue to enhance the experiences of existing and potential customers. As CLS in 2014, 2015, and 2016 revealed:

"…we upgraded our flagship mobile banking application …with exciting features such as event search function and payment features for online shopping, flight booking…

"Since the deployment of the CRM, the Bank has recorded a lot of positives in the way we do business with our customers. We have recorded significant improvements in the handling of customer enquiries resulting in significant upgrade in our data collection and analytical capacity" [CLS, 2016]. In all, the above underscores commitments towards digital technology and alternative ways of maintaining competitiveness. Underlying these commitments is also the mindset of the managers.

6.3.6. Collaboration and Partnership with FINTECHs

Evidence in data also reflects management thoughts on how collaboration with FINTECHs and telecommunication firms now plays a critical role in financial product provision and value co-creation. One example of this strategic partnership and on-going relationship with one FINTECH was contained in the press release statements which announced the launch of one of the products earlier mentioned; as in the following comment:

"*Nigeria's retail giant, [Bayelsa] Bank Plc in partnership with Visa is set to revolutionize payment system in the financial services sub-sector as the Bank launches into the financial market mVisa, a payment channel that gives the customer full control of multiple financial transactions" [press release].*

Another specific example identified in the data is a partnership with MTN – one of the largest mobile telecommunication giants in the country. As evident in the comments below:

"… [Bayelsa] also is the first to introduce the [Bayelsa] Y'ello account in partnership with the mobile telecommunications giant MTN" [press release].

"We partner with organisations like MTN to make sure that we capture those areas and take banking to the doorstep of those people in the local villages. There is no way we can be able

to do that if we do not have a very strong backup in terms of telecommunication companies" [SMB7]. Therefore, the above confirms the commitment of the management to searching and selecting strategic partners enabling innovation and co-creation.

6.4. How managers balance between routines and better strategic decision

In relation to the Nigerian business environment in terms of threats and opportunities as explained, and some internal constraining factors identified by this study, dataset uncovered Communication and teamwork; creativity and ability to convince others are some of the ways in which managers' made non-routine decisions when faced with especially entrenched norms, rules and standard processes in the organisation. One of the managers talked about 'whistleblowing' and others differently talked about routine forums in which issues are discussed on a routines basis example monthly, quarterly and annual meetings in order to review activities and performance, brainstorm and thereby make critical decisions. Whistleblowing was used to refer to where one thinks he has good ideas or important transaction which needed quick action but not getting it. As evident in the following comment:

"We have what is known as whistleblowing, if you know that this thing needs attention, you can blow a whistle so they can quickly attend to it and then you can move on. ... And also, we always have meetings, general meetings, business meetings, and so those meetings help to address issues".

It is considered that the idea of the whistleblowing is basically to communicate to relevant authority about a concern, perhaps the need for urgent attention rather than about raising alarm. When talking about meeting to address issues, it became clear that the need to engage and interact with one's team is part of the communication process as most of the participants also talked about this. However, from a critical perspective, a consideration also entails that the scenario painted by the participants is more closely related to operational problems and decisions rather than a strategic decision. The latter constitutes the interest of this study.

Bayelsa managers also talked about 'creativity and ability to convince your team' as a critical. These terms and in the context they were used by the manager are significantly relevant to dynamic managerial capability and quite insightful. The following comment bears this out:

"One thing that you have to learn is how to be creative as go up the corporate ladder. That creativity has different components to it. ... You have to read the signals, come up with the strategy; be able to sell to your other parties. Your other parties could be your board members whom you will have to convince on why you will have to form a syndicate with another bank. That is part of the challenge you have as a leader. You want to take action and you think that it is unassailable; ...You have some policy constraints; ...the first challenge is to convince your internal people that this is the only way you can do this transaction, and put together a team that would midwife that syndication. It is a norm in the industry, but you must keep the right partners to go with. So having convinced your internal team that this is the way to go, you then have the challenge of identifying the right partners out there and selling your idea, convincing them but like I said some of them may have different greed levels" [BSM2].

6.5 DMC and Influence/role of managerial cognition – the case of Bayelsa

Analysis in the preceding sections already shows that DMC in the Bayelsa case can be identified in terms of innovation and scalability (to use the CEO's terms) processes. Table 6.4 provides a synthesis of cognitive underpinning DMCs from managers' opinions.

Table 6. 4 Themes related to Managerial cognition and DMC in Bayelsa's Case

Managerial Cognition	**Related influence on DMC and Innovation and Scalability**
Management's Vision and Philosophy	Reinventing philosophy Inspiring commitment to become the fastest-growing retail bank Stronger belief on innovation and scalability Strategic thinking
Perception/attention	stronger focus on retail Opportunities in Africa Nigerian unbanked population
Problems-solving capacity	Search for alternative capital via rights issuing Implement a diversified business model New customers acquisition Building healthier balance sheet Restructure organisation Enhanced risk management and retail Creativity
Communication	Convinced board to develop retail as business model Self-belief Freedom of expression/open communication
Attention Diversity	Focusing on retail as core and capacity building

Chapter Seven

The Case of Cross-River

7.1 Introduction

As with other cases examined, a brief organisation profile of the case of Cross-River is contained in appendix 3 due to space. This thus allows analysis to continue here straight-away with the first objective of the research: to determine the environmental challenges faced by managers as related to deployment of DMC in the context of Cross-River.

7.2. Nigerian business environment: Cross-River Managers' perspective

Similar to Bayelsa and other cases examined, the most densely expressed perspectives in the data obtained from the case of Cross-River were about the challenges presented by Nigeria's "buffeted economy", political and regulatory changes that have affected the Nigerian banking industry since 2014. Comments were also made about the socio-cultural issues and the implication of these factors for the industry and Cross-River. Table 7.1 below presents a summary of key findings about the business environment.

Table7.1 Themes about the Business Environment. in the case of Bayelsa

Focal Inquiry	Emerging themes/concepts	Classification	Implications for CRB
Business Environment	Political – New government Regulation – TSA, other stringent regulations. Rise in CRR/MPR Buffeted economy – due to drop in prices of crude oil with effects on balance of payment, drop in GDP, inflation rise, low fiscal activities, inactive market for public offers, lack of FOREX, illiquidity and diminishing revenue lines, rising cost of funding, drop in aggregate demand; changing needs of customers Intensified competition – evolving customer's need Sociocultural challenges: - Militancy in Niger Delta	Challenging operating environment with market turbulence and economic policy uncertainties	Liquidity problem Revenue decline Pressure on cost of fund High cost of risk asset Reduced profitability e.g. 70% from 22.4b in 2014 to 6.1b in 2015 (CLS, 2015)
	Nigeria's population High youth population unbanked and under-banked customers FINTECH/Technology	Business opportunities	Need to leverage the opportunities presented by the population and technology

7.2.1. Macroeconomic headwinds – buffeted economy

As indicated in table 7.1, terms such as macroeconomic headwinds and a buffeted economy were repeatedly used in the CLS to reflect on the adverse effects of fall in the price of crude oil on the Nigerian economy and the banking industry. He described the economy as "buffeted" due to a shortage of FX, liquidity problem, rising cost of capital, low GDP, double-digit inflation in recession by 2016. As the CEO following comments confirms:

…the economic front was buffeted by a number of factors….largely due to the sharp drop in commodity prices, including crude oil. As a result of these fragilities, overall growth was retarded, with GDP down to 2.11% as at the end of December 2015 [CLS, 2015]. The attendant impact of that was reiterated in 2016 CLS and for the Cross-River:

"….uncertainties around the foreign exchange markets made it extremely difficult to fund new projects …" [CLS, 2016].

One of the senior executives of Cross-River interviewed by the researcher corroborated the CEO's sentiments as well as he explained:

"You know our mainstay in the economy is FX from oil sales, and this has dipped considerably on two fronts; one, price of oil, and two, on the volume we are selling because of militants and civil unrest here and there. So, now FX is hard to come by" [CRSM1].

For Cross-River, the implication of the economic situation was reflective in revenue/income decline, liquidity problem and as the CEO indicated, difficult to fund projects and transactions which understandably are the primary role of commercial banks.

7.2.2 Regulatory changes

Apart from the crash in the crude oil price and the resulting negative economic effects mentioned; regulation was another key issue largely expressed in the dataset. Cross-River managers lamented especially about the introduction of TSA. The CLS 2016 bears this out:

"…the withdrawal of Federal Government funds from banks in furtherance of the Treasury Single Account implementation was noteworthy; deposits from this source, in local currency, dropped by 93% from N764.5 billion to N53.8 billion, the consequence of replacing this outflow was a drive-up in the cost of funding" [CSL, 2016].

The CEO's comment was quite revealing as it shows that public sector deposit in CRB's books was arguably a lifeline and such a significant loss for the bank and thought about how to replace the fund became a key priority.

7.2.3 Intensified Competition

Intensified competition in the industry was another key theme revealed in the data. The expressions entails that most banks compete for the same set of customers and largely implementing similar strategies. Consequently, they tend to undercut each other in efforts to win over customers and business deals. As two of the senior managers interviewed reflected:

"The first thing that is central to the industry is that it is highly competitive. We compete on the basis of size, and on the basis of strategy in itself, we compete on the basis of customer acquisition because virtually, we tend to struggle and compete for wallet share of the same set of customers" [CSM1].

"Today, what most people do …is what I call the red ocean strategy. The red ocean strategy talks about cutthroat in strategy were if somebody offers a kind of offering, another person will say, I will do better in that" [CSM3].

Therefore, the most emphasised clustered mainly around three themes a) macroeconomic factors, b) regulation and c) intensity of competition. The effect of these challenges especially with the study period is better understood with a look at the key performance highlights of the bank at least for the aforementioned period. Table 7.2 below presents a summary of the organisation's performance to show how the stated environmental challenges were acclaimed to have led to sublevel performance against potentially achievable results by the bank.

Table 7. 2 KHP in Cross-River between 2014 and 2016

For the year ended, December	2014 (N' billion)	2015 (N'billion)	2016 (N'billion)
Gross Earning	148.6b	152.5b	176.3b
Profit Before Tax (PBT)	23.942b	7.78	16.3b
Customer's Deposit	733.7b	700.2b	657.6b
Customer Base (million)	-	3.5m (+33%)	-
Non-Performing Loans (NPL)	22.9b	25.3b	25.4b
Total Asset	1.169T	1.159.5T	1.172T

From the above table, it can be observed that in Cross-River, while the gross earning of the bank saw a progressive increase, the PBT show a dip from N22.4b PBT in 2014 to N6.1b in 2015 and then a rebound from N6.1b in 2015 to N16.2b by the end of 2016. Of that stated PBT however, on closer observation, it can be noted that NPL in CRB stood at N22.9b, N25.3b, and N25.4b by the end of 2014, 2015 and 2016 in that order. The above facts and figures would likely be a concern for any management. It was presented here just to show a link between the effect of the environmental challenges discussed in 7.1 above on Cross-River and why it became a race for competitive survival and more importantly the strategic responses that have followed. As the CEO reassured in his letter to shareholders:

"…while these results reflects the difficulties our business have faced over the year, I want to assure you that we have moved swiftly and decisively to address these issues, and in the fourth quarter of 2015, we began to see early promising signs from the actions we have taken so far to reset the business and restore our growth" [CLS, 2015].

So, next, the analysis continues with a look at the research findings regarding the managements' strategic responses in the case of Cross-River.

7.3 DMC and Strategic Response/ Management Actions

The study identified seven areas of the strategic response of Cross-River to the stated environmental challenges. It includes the organisation's strategic vision, building retail-led commercial bank, growing revenue and financial base of the bank, expansion and diversification initiatives, and investment in IT, partnership/collaboration building and business operation restructuring.

7.3.1 Strategic vision

The declared strategic vision of the CRB is *"to be the premier financial services group of Africa's origin"* (source: website). On closer observation, however, it was noted that the vision was seemingly worded carefully to reflect Cross-River's interest in other financial services areas. This can be understood better when contrasted with some of their strategic initiatives discussed later in this section. As mentioned in the organisation's background (see Appendix 3), Cross-River was established originally as a stockbroking firm. It developed to a merchant bank and now a commercial bank. However, evidence shows that the organisation's path dependence (Teece et al, 1997) is reflective in the firm's strategic choices.

For instance, Cross-River operates as a (holding company) with active interests in other non-banking financial services including stockbroking, capital market, pension fund and, a recently established microfinance subsidiary. While being managed as separate entities, the above stated vision appears to be all-embracing rather than just that of Cross-River. However, evidence also shows that commercial bank constitutes over 85% of the group's portfolio, with other subsidiaries together representing less than 15%. So, one may also consider that the stated vision best represents the core aspiration of the bank. In all, table 7.3 below contains ten categories of themes representing the strategic actions or responses reflecting DMC in Cross-River.

Table7. 3 DMC related themes and categorisation in the case of Cross-River

Themes	**Categorisation**
Evolved philosophy/vision with retail banking touted as central to CRB's vision	Strategic vision/objective
Focusing on accelerating customers acquisition Implementing financial inclusion Investing in customer service experience	Growing revenue/financial base
Focusing on transaction/mass-market Value chain strategy Agency banking; Enhanced framework for SMEs	Building a retail-led banking model
In 2014 established first international operation in UK; In 2015 established micro-finance subsidiary to drive retail Invested in pension fund and private trusteeship	Expansion/diversification initiatives
Divested interest in public sector banking Created new divisions including retail, and electronic banking Appointed new regional heads	Restructured business operations
Increase from 245 ATMs in 2014 to 755 by 2016; From 6300 POS terminals in 2014 to 13000 in 2016 Building robust electronic banking platforms	Investments in innovative technology
.Partners e.g. Interswitch, IBM and KPMG	Partnerships and Collaboration
Source: interview transcripts, press releases and annual report 2014 to 2016	

In particular, notably, the management Cross-River provided some restatements of the organisation's vision (earlier referred) with palpable evidence of the CEO's cognitive imprints and expression of responsibility in relation to the strategic responses contained in table 7.3 above. The following comment in the 2014 CLS confirms this:

"I laid out three priorities for our bank during the period 2014 to 2016 which supported our mission for superior and sustainable returns. The first was to grow revenue by accelerating our market share in retail banking… Secondly, to invest in our customer experience as a means of growing our customer base. And, third was containment of our operating expenses growth". The CLS by the end of 2015 reaffirmed and expanded on the above as it was declared:

"A leading retail presence is central to our vision as we seek to build more businesses in the retail space; we hope to fully launch a microfinance business as a full subsidiary of the Group and seek opportunities to improve controlling participation in the pension fund industry; …a combination of these initiatives will reduce the pressure on the bank's balance sheet and steer activities to less capital intensive businesses" [CLS, 2015].

The above comments are clearly reflective of what the management has done and planned to do, why, and a sense of responsibility to the stated vision and decisions. How the management translated the 'vision' and decisions to action is further explained.

7.3.2. Building a retail-led commercial bank/business model

By far one of the most densely evident themes in the Cross-River dataset is 'building a retail-led commercial bank', transaction banking and 'a turnaround plan' by the CEO. The clear intent was to purposefully grow the revenue and financial base of the organisation through customers' acquisition and mobilising cheap deposits seeking at the retail segment in contrast to their previous business model. Three other related concepts including value chain strategy, financial inclusion, and agency banking were differently used to buttress on the processes of deploying the retail banking model. More reasons for adopting the business model were given to include, the opportunity presented by the country's huge population, much of which remains unbanked. One may argue that the population has always been there, why now? Another reason given was about using the model to address the risk and problem of NPLs. The 2016 CLS declared:

"A major objective of the bank is to create a low-risk business in the next few years. …Our retail and transaction banking focus will drive fees and commissions and ensure continuous improvement in liquidity and cost of funds. Lending activities will be focused and strategic, with an emphasis on diversification of our portfolio. [CSL, 2016].

Three Cross-River senior managers interviewed all buttressed on the CEO's idea, as follows:

"We found out that in the industry here, we compete on the basis of size. So we needed to scale-up the size and we decided to carve a niche in retail banking outside or rather in complementing that our traditional investment and corporate banking niche. We also decided to start cultivating expertise in retail banking [CRSM 1].

The attention of the bank is to increase what we call OBI (other banking income) from transaction-based income. …As against what we use to focus on like trade-related *transactions where you give the customer an import finance facility, you make your income* [CRSM2].

"The new CBN …actually stipulated that about 70% of our populace, I mean bankable population are unbanked and there are in the rural area. So, when you talk about retail banking, it is not a business of big-ticket, but it is a business of volume. So we are focusing on the retail aspect of the market" [CRSM3].

The above comments thus reflect the management's belief that the retail banking model was an appropriate strategic response. As earlier mentioned, the concept of value chain strategy emerged significantly in the data as well as part of the retail banking initiative. When talking about implementing value chain strategy, opinion from data mainly suggests that it was all about the effort of the bank in customer acquisition, lending and ramping up deposits from the SMEs especially. One of the senior managers was captured the shared opinion as follows:

"…in the oil and gas industry, you mention shell, Halliburton, Addax. In the manufacturing industry, you mention NESTLE, GSK, Nigerian Breweries; all those large companies actually have what we call retail derivative. … So banking those people, the entire value-chain is more important to us in that way…. [CRSM3].

Financial inclusion was not Cross-River's management idea rather the central bank. However, all commercial banks are encouraged to contribute to promoting the idea while drawing from its benefits. When talking about financial inclusion as an intervention, it means, attention to lending to the real sectors of the economy that were often deprived of support. Like other banks, managers in Cross-River consider it amenable to their revenue drive and risk management strategies. As confirmed in the following comments:

"…we now realised that statistics in Nigeria show that financial inclusion is still very low. There is still a large green place to cover in terms of getting Nigerians to have bank accounts. …So, as a strategy, the bank (Bayelsa) decided to go into the mass market. ….We decided to go through a unique segment of the market (salaried employees) who hitherto has not been banked because everybody feels that government employees are poorly paid and all of that. But in our case, we looked at that and figured out that yes, they may be poorly paid but they actually need that financial intervention much more. And as far as security is concerned, we are dealing with them as a block" [CRSM1].

The CEO also sums it, *"we are now acquiring 55 new customers' monthly and disbursing 20,000 new loans, with over 2000 monthly to women-owned micro-enterprises"* [CLS, 2015].

Part of the customers' acquisition project of the Cross-River bank and its retail model is the use of 'agency banking'. This approach involves identifying and using commission-based agents in villages and communities to attract customers by providing the organisation's products and services around a specified remit. The CLS summed as follows:

"…our agent banking initiative is on course; we currently have 71 agents nationwide, with a plan to grow 800 agents by 2017" [CLS, 2015]. This was confirmed by one of the senior managers by declaring that:

"Another major initiative that we have done to hasten our customer acquisition process strategy is the use of what we call direct sales agents. They are just like what we call commissioned agents for the bank" [CRSM1].

The agents are used mainly because their services are cheap and therefore consistent with cost optimisation strategies Cross-River. So, by leveraging on the services of agents, they are now accessing and bringing customers to their books in an efficient and cost-effective way. Here, you see a redirection of attention by the management.

7.3.3 Restructuring and Decentralisation of Authority

In line with the vision for retail banking, restructuring, decentralisation and regionalising are the other significant themes appearing in the Cross-River case data. As the following comments confirms:

"We restructured around the business and our operations. And what do I mean? We had to go into geographical restructure, we had regional head of sales, and regional heads of operations so that at the region, they have the authority and power to manage quite a number of retail endeavour instead of everybody coming to the centre at the same time which will be overwhelming. …I was actually brought …to do the regional structure of operations of the bank…. because we could not manage that number of branches from the centre anymore, we had to regionalise. I actually headed the regional operations, putting the structure in place, putting the procedures, manuals, the processes in place; the regional structure" [CRSM3].

It was interesting that the rationale and responsibility for the initiative was reaffirmed by one of the key participants in the project and another senior manager also agreeing that:

"It was obvious that beforehand, the way we were structured, everybody was doing everything at the same time, we realised that we needed to develop competencies and skills. We were also split into units, also based on the roadmap we were given. There is a separate division that powers the electronic banking, essentially because we needed to devolve resources, especially to our alternate channels to support our major divisions as far as business is concerned. The public sector until recently used to be a division but it's been deemphasised, it's been subsumed into existing divisions essentially because of the way the public sector business has slowed down in recent years. [CRSM1].

In sum, Cross-River, the restructuring initiative have multiple aspects. First, data revealed that the management decided to de-emphasise on public sector banking, and created a new division that now manages the new retail and mass-market banking strategy, and another separate division that handles electronic banking transactions that now play a critical role in the bank operation. Another aspect of the restructuring involved regionalisation, reallocation of resources and decentralisation of authority by creating heads of regional operations especially to drive the retail banking strategy of the bank. The management believes a devolved structure and authority would enhance efficiency and span of control rather than centralised decision-making approach as they were.

7.3.4 Expansion and Diversification

Cross-River has taken 3 key expansion initiatives in the last 3 years. First, Cross-River expanded by establishing a microfinance subsidiary of the bank which was aimed at enabling concentration on advancing the retail banking project of the bank. Apart from that, Cross-River established its first offshore branch operation in the UK in 2014 – an initiative probably taken not expecting the headwinds that hit the industry since 2014. However, there appear to less focus on local branch network expansion as no addition to their existing local branch network in the last three years was identified in the data. The management noted that both areas of expansion projects have begun to make useful contributions given the impressive result the organisation has recorded from those strategic initiatives. As the CLS 2015 reflected:

"Our micro-lending subsidiary witnessed a 9% growth in profitability ...in 2015. [Cross-River] UK broke even in its second year of operation as a licensed deposit-taking bank in the UK, with a PBT of ... Following this milestone ...we will be pursuing a variation of permission from a wholesale deposit-taking bank to a retail deposit taker" [CLS 2015].

In addition to the above, Cross-River has also diversified into another related provisioning with a recent investment in the pension funds sector. A key consideration of the management is that the sector provides similar opportunities as the retail banking sector with much of that yet untapped. As such, they believe that would be useful to deploy their retail banking capability to serve the segment effectively. As declared in the 2015 CLS:

"We invested …in a leading Pension Funds Administrator, Legacy Pension; we continue to follow the strategic issues in this sector with keen interest. It is a sector that is amenable to our Retail thrust and fits into our strategy with potentials to leverage our distribution, cross-sell into our over 3 million customers and tap our retail know-how. …we expect our non-pension asset management and private trusteeship business to grow more steadily; a combination of these initiatives will reduce the pressure on the bank's balance sheet and steer activities to less capital intensive businesses" [CLS, 2015].

In fact, out of that mass-market customer segment, we are spinning-off a microfinance bank, a separate subsidiary, and entity of the holding company, which will further deepen that financial inclusion strategy; the bottom of the pyramid approach in terms of both liability generation and asset creation [CRSM1].

"Before the FG started with this issue of diversification, we have started collaborating with the Agric and agrarian commodity market; the entire value-chain, the out-growers, distributors, and all those people to go into agriculture. Another thing is about small and medium scale enterprises, we are developing a better framework for SMEs. So, while the challenges on the FX side are going on, we are developing capabilities in the Agric sector and among the SMEs" [CRSM3].

7.3.5 Innovative Technology deployment

…We have built a solid business model around retail and transaction banking to deliver sustainable profit growth, effective use of technology to boost efficiency, reduced risk appetite and a greater customer experience".

Innovative technology deployment was identified in the dataset as another key strategic initiative in the case of Cross-River. Participants discussed innovative technology upgrading, their website with new functionalities enabling some of their new digital/electronic products and services and processes to be conducted online via the website. In other words, the processes of serving customers are being automated. Things like account opening bank account have become seamless with customer able to do that all by themselves online and send in supporting documents on a later date/time. As some participants explained:

"...to cope with customers' acquisition, at the rate we are running now, we have innovated; I think we pioneered it in the industry, instant account opening in the sense that you can actually do account opening by yourself; go to the website of the bank and create or send in your details and you can initiate the process of account opening [CSRM1].

In addition, more investment in technological infrastructures are seen as inevitable. Therefore, new technology infrastructures are being rolled out continuously in order to help drive retail banking. As the CLS explained:

"We rolled out an additional 108 ATMs across different locations to increase the tally to 755 and on-boarded about 370,000 new customers on the mobile banking platform. ...During the course of the year, we deployed over 3,600 point of sales terminals to increase the number to 13,000. Increasingly, our SME customers are embracing a cashless economy" [CLS, 2016].

Senior managers interviewed also confirmed as follows:

"We have been aggressively deploying our ATMs, we've been deploying our POS terminals, we've been enrolling our customers on internet banking, and all that believing that as they use those services, as we create those conveniences for them, in turns you will be making your money" [CRSM2].

"When we decided to go retail, we knew we needed a robust electronic banking platform, in terms of electronic products. We knew we were dealing with the mass market, a lot of people, a lot of time. We needed to migrate a number of services to electronic channels to make the service a pleasant experience for our now many customers. So those investments are driven by our committed focus and strategy of customer acquisition" [CRSM1].

7.3.6 Partnerships and Collaboration with external partners

As already mentioned Cross-River has developed a number of strategic partnerships to support them in terms of human resources capacity building. In addition to that, the management also recognised the importance of collaboration in relation to technology deployment. Data show that Cross-River has been partnering with technology firms to help develop and maintain relevant technology infrastructure and innovations required in order to support the new retail banking model as well as skills to deploy the technology effectively. As explained in the following comments:

"Operating these strategies required that we collaborate with external partners. For instance, you can't build the entire technology infrastructure, you need a collaborating partner. So, one of the things we do is that we get innovation partners to collaborate with us. They sit with us and as we take technology innovations from them, we build internal capacities as well to understudy them. So that when you buy those innovations from them, you are able to treat it as required to suit us as we move on. I will mention a few, maybe on the infrastructure side, we have Interswitch; we have IBM that does a lot of technology infrastructure for us [CRSM3].

7.4 How managers balance between routines and strategic change

Perspectives expressed in the data show that managers in Cross-River tend to be finding the necessary balance between existing organisational routines and managers' proclivity for process change and better strategic decisions by processes involving engagement, communication; selling-idea, convincing and buying-in. By reflecting on the comments expressed and the context in which managers have used the above terms, it became clear that the messages are similar albeit the different terms used. The researcher has used three themes to capture those concepts.

7.4.1 Engagement and Convince

Managers talked about engagement in terms of having to communicate with the relevant stakeholders and having to get their opinion, and having discussions about what one may want to do and why. This can also be looked at in terms of negotiation as to understand why the project initiator wants a particular project to be executed. The following comment reflects this:

"...the most important thing is that you articulate your idea and try to convince people about your idea or sometimes you just present it without even having to discuss it with anybody. Let everybody look at it from his professional and passionate standpoint. ...The formal means that I just put it down in a memo and it goes through circulation. Then the informal one is that you call somebody and say look, there is this thing I'm thinking of, I trying to push through this with you...this is the benefit, blah blah blah, and all that. By the time, it gets to him at the point of signing, because he is already in the picture, he'll sign" [CRSM2].

7.4.2 Buying-in

As mentioned before now, similar to the above is the concept of buying-in. The manager has led some key innovative projects and was responding based on his experiences. As he recalled in the following comment:

"Another thing that I did for CPC and even for some of the innovation we have deployed ...apart from showing data of about where this has worked before; you take a portion of the business and deploy them and showcase. For instance, if you want to do something for the entire bank, I will say let us take a trade zone, and we use it as an example. So when the trade zone now comes out and says, we are making a revenue of x before you deployed this innovation, now you are making x+2 because of this innovation. By the time you deploy it with two or three more, oh! It is working, it becomes a very easier conversation and the entire bank will buy into it". [CRSM3].

Considering the above, one can understand that the common thing between the comments is about getting others to agree to a project/initiative. Central to that also is about articulating one's argument to be convincing, selling the idea in the form of communication and based on that expect the relevant stakeholders to buy into the project.

7.4.3 Knowledge and learning

In the dataset, apart from the above, other concepts expressed are about knowledge and learning. In this context, professional development was considered to be helpful because the project initiator could draw on their knowledge to sponsor or initiate mainly viable projects. Again, the concept of engaging was emphasised. The following comments confirm this:

"We are speaking …based on knowledge and understanding; based on analyses that are cutting-edge, that make sense. We build analysis from a risk perspective, so the people/business might not have actually thought through all the risk dimensions. …We focus on things that are important to the bank as a whole. …we have developed subject-matter expertise in different areas of the business. We go to the training they go too, we engage them extensively, challenge their assumptions and they receive our contributions better because they know it is coming from an informed standpoint" [CRSM1].

"…if people could see what is in it for them as individuals and as a team, then it is easier to let them see what the value in it for the institution as a whole. So, you need to train, you need to constantly engage, you need to constantly get feedback and all things" [CRSM3].

7.4 DMC and Influence/role of managerial cognition

Table7. 4 Cognition and DMC related themes in the case of Cross-River

Managerial Cognition	**Related influence on DMC in the case of Cross-River**
Management's Vision and belief	- seeking to become a premier finance group in Africa -leading retail presence is central to our vision
Perception/attention	- Nigeria population as an opportunity - attention to retail segment as largely untapped - Africa, and international expansion e.g.UK - Identified opportunity for diversification to pension and microfinance
Problems-solving capacity	Investments in customer service/acquisition Planned moderation/cost containment Restructure; Improved risk management framework
Communication	Engaging, buying-in, convincing, knowledge/learning
Attention diversity	Focusing on retail business model, OBI and capacity building No more a commercial bank

Chapter Eight

The Case of Delta

8.1 Profile of Delta Bank

Similar to other cases examined, a brief organisation profile in the case of Delta is contained in Appendix 3 due to space. Therefore, the analysis of data continues here straight away with the first objective of the research: to determine the environmental challenges faced by managers as related to deployment of DMC in the context of Delta.

8.2 Delta managers' perspectives on the Nigerian business environment.

The macroeconomic headwinds were largely related to the effects of depressed oil earnings, liquidity problems, inadequate supply of FOREX, and weakness of the Naira and economic recession in the country. Table 8.1 below summarises key findings about the environment in the case of Delta.

Table 8. 1 Themes related to Environmental challenges in the case of Delta

Focal Inquiry	Emerging themes/concepts	Classification	Implications
Business Environment	Regulatory headwinds – monetary and fiscal policies, CRR upward adjustment and FX regime by CBN, Economic uncertainties and problems in the business environment – due to depressed oil earnings, liquidity issue, inflation, multiple exchange rate, inflation, devaluation/weakness of the naira; recession, stiffened competition Sociocultural challenges: - People's culture - illiterate people - Niger Delta avengers/civil unrest	"heightened economic uncertainty & regulatory headwinds"	Fall in revenue/income High asset risks Pressure on profits Need for appropriate strategic responses to ensure competitive survival and growth
	African and Nigeria's population Unbanked/under-banked customers Digital revolution, Technology; Telcos & Fintechs	Business opportunities	Need to leverage on the opportunities presented by Africa's population, digital revolution, Telcos and Fintechs
	Poor leadership; lack of vision, lack of empowerment; insensitivity, lack integrity, poor communication	Proxy description of Internal environment constraints/inhibiting factors	Need for sensitivity about both internal and external factors

8.3. Economic uncertainties/challenges

In Delta, managers differently expressed concerns about the depressed economic situation, challenges, and uncertainties. As table 8.1 shows, this was largely attributed to the fallout of the significant drop in the global price of crude oil – the main source of the country's revenue and foreign exchange earnings. Implications of that comprised low liquidity in the economy, weakness of the naira, and shortage of FOREX and multiple exchange rates as a result. With that also, inflation shot up, the GDP nosedived and by 2016 the country was officially confirmed as being in an economic recession. Given their impacts on businesses, the banks as intermediaries were adversely affected. As managers interviewed in the study confirmed:

***"…**the economy is heavily tied to crude oil, so as the price of crude oil moves up, things tend to function better in the country and as the price of crude oil crashes, a lot of things crashes. ...due to the recession, in the last three years now, e.g. construction business has been heavily challenged. But we didn't get to that point suddenly"* [DSM4].

"...because of our exposures in dollars to those in oil & gas particularly the marginal field owners in Nigeria. ...For us, we saw a reduction in their revenue because it dropped to about half, in fact even less than half of that [DMM2].

"...what's up now is just income really; the economy is challenged, there was contraction for almost two years, we were in recession for almost two years. And then, because the government wants to re-inflate the economy due to instability in the FX market, they then jack up the income rate". [DSM4].

The CEO in his 2016 end of year letter to shareholders also reflected:

"We knew that the business environment in 2016 would be particularly challenging given the weakness of the Naira, depressed oil earnings and inadequate supply of foreign exchange, all of which culminated in the eventual slide of the Nigerian economy into recession" [CLS, 2016].

The terms ("we knew") as expressed by the CEO reflect the importance of knowledge and anticipation. This was based on the build-up of these problems since late 2014 when the crude oil price began to show significant decline, continuing in 2015 and then 2016. It means that the management perceived the signals and perhaps helped them to prepare and respond as necessary to cushion the effects.

8.3.1. Regulatory Headwinds

Another significant environmental challenge that the organisation has had to deal with in the recent past was what the CEO referred to as "regulatory headwinds". The concept was particularly used in relation to tighter monetary and fiscal policies - foreign exchange regimes, and related reforms by the CBN. Managers also talked about changes in transaction charges allowed for banks and TSA policy. As one of the senior management executives of the bank interviewed in the study explained:

"… If you look at the FX regime, that had an impact on the industry, and obviously almost every other – I mean you will have a CBN circular that would have an impact to a large extent on how we operate in the industry as banks. So, we've had quite a squeeze, I am looking at the industry now not necessarily focusing on my bank but focusing on the Nigerian banking industry. Banks have struggled, some with liquidity issue; in the last, two to three years – quite a number of banks had issues around having to lay-off because again it was a bit challenging" [DSM3].

Another senior manager interviewed also shared a similar view, citing the CBN policy in relation to the interest rate changes by stating:

"…because the government wants to re-inflate the economy due to instability in the FX market, they then jacked-up the interest rate" [DSM4]. As one may expect, it implies that there would be a corresponding rise in the cost of funding or borrowing both for banks and clients.

However, one of the senior managers interviewed, saw the issues as not unpredictable per se as he explained: *"…the usual things are complaints about charges; complaints about service". …They come in different forms and all that. Today it is TSA, tomorrow it is something else but substance over form is still the same thing; exchange rate increases –it is not the first time that the exchange rate issue is happening and therefore it's the duty of every organisation, the top level of a bank to understand these cyclical changes and adapt to it*...[DSM1].

This suggests that as much as those issues occur, managerial capability for understanding and predicting enabled their organisation to handle those changes as they occur.

In all, the above perspectives meant that Delta as with other rivals in the industry found themselves having to find ways to cope contain the effects of regulatory changes and policies introduced by the CBN, one, on their customer's businesses and two, to the bank as an institution in terms of businesses loss. Much of the change on the FX regime was related to effort to manage pressure which arose due to less inflow of FOREX usually from crude oil sales and on the other hand an increasing demand for it and capital flight as the economy was largely import-dependent. Notice that in both comments, the issue of liquidity was highlighted as well and that in part was about the effects TSA which affected customer's deposit with the bank, and banks needed to alternative deposits to replace public sector deposits returned due to TSA.

8.2.3 Government policies Summersault

Related to the above, another challenge for managers located in the dataset was what was described as "government policies summersault". This concept was also uncovered and stated exactly in Bayelsa's case. While this aspect was not particularly traced to the recent challenges in the economy, the point the managers make entails that government policies in Nigeria are historically unpredictable and unstable with their policies such that you can hardly rely even on your own decisions as a manager. As one of the senior managers explained:

"…at times you move forward and some decisions are taken and then you have to move backward again, and your customers are wondering ah! Don't you know what you are doing when you said let's move? So, this moment you said fine, let's go but all of a sudden there is policy summersault from somewhere and then you have to react to that. So, that's the real problem that one faces on this job" [DSM4].

It means that the cognitive capacities of managers were often under constant pressure and managers have to make decisions under such tension.

8.2.4 Inadequate infrastructure/institutions

Another significant environmental challenge uncovered in the case of Delta's data has to do with inadequate infrastructure or supporting institutions. How to ensure that customers are provided with important services in terms of lending was seen as a problem without the necessary infrastructure to support appropriate/best decisions making. Critical decisions including project funding are often made relying only on organisation's policy framework and managers' intuition and expertise. As one of the senior managers commented:

"….there are complaints about services and am also trying to keep up ensuring that customers get the ultimate services that they deserve in an environment where infrastructure is really not perfect" [DSM1].

This implies that the challenge the managers often face includes how to make the right decisions/judgment and to consistently demonstrate professionalism by taking on only quality risks and on the other hand not to ignore good business opportunities due to insufficient supporting infrastructure enabling wider checks.

8.2.5 Sociocultural challenges

Another challenge identified in the dataset has to do with sociocultural problems, particularly the low level of literacy, and lack of trust among people in the country. Dealing with the less educated population was seen as a herculean task for managers and one that requires significant effort towards educating people to understand or appreciate the unconventional banking practices as they evolve. As summarised by one of the senior managers:

"…in our environment, the level of literacy in Nigeria is not necessarily where it should be. So, in as much as you are pushing out alternative channels whether its internet banking, you have automated teller machine, you have POSs, you have USSD banking where you just use the mobile pins, …but the average man still want to come into the banking hall and talk to a human being. So, of course, …a lot is changing on the global level, etc., but the general Nigerian person is still a bit suspicious about all these funky means of transacting that we are now talking about" [DSM3]. Another senior manager interviewed also affirmed:

"You know some people are even illiterate, they say what is this thing called internet? So, your feedback and your pushback to say, look, this product is good but hey, nobody is using them. I mean, internet connection is still poor in the country. So, out of our 10 million customers, probably 250,000, probably 500000 are using smartphones; you may not be able to relate with this. You leave in the UK, but then that's the fact, the reality in the country. The bulk of the people still don't use the smartphone. So, it was just a normal thing to look for a way to serve or to take banking to those guys" [DSM4].

8.2.7 Stiffened Competition

Another significant challenge found in the Delta data was what they described as stiffened competition. Findings show that the managers were concerned that competition has become more tensed as they now not only have to compete with fellow banks or normal rivals but also non-traditional banking institutions. The CEO's comment below was reminiscent:

"Digital technologies have dissolved the boundaries between industry sectors and Banking has not been spared from this disruption. Non-bank digital players could become as integral in the banking value chain as we are to our customers, and competition from these nonbank players could erode as much as one-third of traditional retail banking revenues in the coming years" [CLS, 2016].

One of the senior managers interviewed in the study also shared their CEO's observation and concerns as she explained:

"…competition has been very stiff. If you look at our industry, we are now having to compete with technology firms – with FINTECH. This is business that traditionally was ours in terms of even lending, you are having back-up just with an app to challenge…you know all sorts of things. So, we are having to evolve some of our traditional ways of doing business to being more agile, and so we are able to respond very quickly; we can possibly foresee okay where are the areas we can begin to compete" [DSM3].

The effect of the environmental challenges and the strategic choices by the management especially within the studied period can be more sensible with a look at the key performance highlights of the bank as presented in table 8.2 below.

Table8. 2 KPH in Delta between 2014 and 2016

For the year ended, December	**2014 (Naira)**	**2015 (Naira)**	**2016 (Naira)**	**+/- %**
Gross Earning	278,520,814	301,850	414,616	+37%
Profit Before Tax (PBT)	1 16,385,843	120,694,804	165,136	+37%
Customer's Deposit	1,618,208	1,610,350	1,986,246	+23%
Non-Performing Loans (NPL)	3.15%	3.21%	3.66%	NA
Total Asset	2,355,876	2,524,594	3,116,393	23%

From the performance highlights in table 8.2, it shows that Delta maintained incremental growth and appreciable results for the period 2014 to 2016. In all, the above highlights summarises that it has been a relatively strong year-on-year performance in Delta bank despite the difficult business environment and challenges faced by the bank. Notably, also, this achievement is evidently linked to the significant role of the management team. As the CEO in his 2016 letter to shareholders summarised:

"We successfully navigated the heightened economic uncertainty and regulatory headwinds, which dominated the year without losing sight of the reason we are here: to serve our customers and to create value for our shareholders" [CLS, 2016]. The next section focuses on the second objective of the study and how they successfully navigated those challenges.

8.3. Strategic Change, Actions/Responses – the management's viewpoints

The second objective of the study was to examine how dynamic managerial capabilities influence purposeful strategic change to the firm's resource-base in the case of Delta. Table 8.3 below presents a summary of concepts/themes related to DMC identified.

Table 8. 3 DMC themes and categorisation in Delta's Cases

Themes	**Categorisation**
To be African and truly international bank International best practice/benchmark/global standard To be competitive anywhere in the world	African Vision/High goal setting
Being proactive and agile Innovative, adaptive and flexible Creating enabling work environment, teamwork and collegiate system Promoting spirit of leadership and accountability Continuous learning culture and information seeking	Organisational culture/values
Expanded to Kenya, Uganda, and Rwanda in 2015. Increase international banking operation in Africa Having African Inspiration Good returns from UK operations	Regional/International expansion
Stronger customer base/diversifying and retail Focusing on SMEs and value chain management Focus on getting 23 million customers over the next 4yrs Maintaining core interest in corporate banking	Adapted Business model
Investing in up-to-date ATM models Upgrading Apps/electronic banking platform Investing/leveraging on digital technology Improved processes and self-service systems	Financial technology and digital banking
Created directorate for digital banking, Fintech/Innovation Implementing relevant integration and realignment enabling flat organisational structure	Structural reorganisation
Seeking productive collaboration with Fintechs Developed Partnerships with downstream retailers	Strategic Partnerships and Collaboration
Source: interview transcripts, press releases and company's annual report 2014 to 2016	

8.3.1 Strategic Vision and Setting High Goals

As earlier mentioned, the declared strategic vision of [Delta] is to "build an enduring Proudly African and Truly International Bank that plays a fundamental role as a platform for enriching lives of people by building strong, value-adding relationship with their customers, stakeholders and the communities in which they operate" (Website; annual report, 2016). As re-affirmed by the CEO in the following comments:

"Our vision has always been to create an African institution that can compete anywhere in the world in terms of good corporate governance, innovation and superior service delivery" [Press release, January 2017] – three concepts also identified in the data as embodying the organisation's values and culture.

"Recognizing that we operate in challenging business environments, we set high goals, benchmark ourselves against global standards and aggressively pursue our key objectives …which are focused mainly on adding value to all stakeholders and improving the customer journey" [Press release, Q3 2016].

"…because we know what we are going; we are very clear about what we are doing. You know there's a saying that "the world stands apart for the man who knows where he is going". From day one, we know what we are doing, we know what is required of us and we are working towards it and that's why I said, we are not a Nigerian bank" [DSM4].

A key component of this vision as articulated is to be "African and Truly International bank". Rather than focusing on Nigeria only, the vision also reflects the management's perception of Africa in general as a land of enormous opportunity, much of which remains untapped. There is consideration of the international space as the needed platform to establish a competitive imprint and a brand to be proud of. Whilst acknowledged that the stated vision maybe a "high goal" understandably so based on its history (see section 8.1) however, managers in Delta believe that the vision is both deliberate and strategic and have been one of their key success factors. The above reflects cognition regarding competition and attention beyond Nigeria.

8.3.2 Adapting to changing market variables and building a stronger customer base

As a bank with a strong interest in being "truly international bank", understandably, findings show that Delta was biased towards corporate and commercial banking. However, based on dynamics in the external business environment, the management was persuaded about the need to modify/adapt its business model. Recall as earlier noted that CEO explained: *"we knew it would be a challenging year and we prepared for it by focusing on …adapting our business model to changing market variables"*. The intention was to develop alternative and more stable income sources through growing their customer base from SMEs, retail, and consumers' banking segments. The new business model resonates with the concept of value chain management – a term used by participants in the study to explain the bank's strategy involving banking SMEs linked to corporates. While the retail/consumer banking element of the business model has to do with a deliberate effort to growing customer/asset base from the retail and consumer banking segment. As one of the senior managers remarked:

"Going forward, I think it's really geared towards of course a lot of focus in the retail and SME space and also looking at financial technology and digital transformation. Really, those are the key areas we are focused on as an organisation" [DSM3].

"…now we are diversifying. We are looking at other streams of income. We've changed how we manage our IOCs …the Chevron, Agip, and the Shells. Instead of focusing on these major means, we are now looking at banking the entire value chain; we are chasing up their contractors so that when we pay, we have the total accounts. …we are looking at the IOCs, the contractors, and the sub-contractors ...so that even when we give out loans, the monies are still in our books. …diversifying into contractor businesses, trying to grow through your own customers (i.e. your IOCs) so that we are not losing money" [DMM2].

"…if I talk about retail, I think of individuals – me and you...If you are looking in terms of your balance sheet; yes, you may have large corporates,… bringing money but there are not going to let the money sit in your bank. They'll use it for something. But individuals, yes it might not be a lot if you look at it in terms of the value each individual is bringing to the table. But, if you look at the critical mass, and the fact that the funds are a bit more stable, then your drive will then be to increase your customer base significantly to give you that reliability that you require in terms of having stable funds. So, I mean from inception, we were more focused on commercial and corporate; …but the truth about it is that there is a point at which you would stagnate somewhat in our environment if you don't play in the retail space. So, that's why a couple of years ago, there is deliberate focus to look at retail and build a solid retail business; with your focus to drive your numbers up – getting maybe up to 23 million customers in the next four years or something, so it's deliberate"[DSM3].

By implementing the business models explained, findings also indicate that Delta bank successfully (1) increased its customer base (2) increased its capital base through low-cost deposits, and (3) maintained low NPL and diversified its risk assets as earlier explained. As confirmed by the CEO in his 2016 letter to shareholders:

"...our customer base has tripled over the last five years to 9.68 million customers as of December 31, 2016, and we have also seen tremendous growth in customer adoption of our digital services" [CLS, 2016]. Customers deposit grew by 14.36% or N144 billion to N1.65trillion by 2014, and *"increased by 29% to ₦2.111trillion"* in 2016 from *"₦1.637trillion in December 2015"* [CLS, 2016], and as the management acknowledged in the data are *"strong deposit growth driven by the continued growth of our retail franchise"* [PR, 2014]. This implies that the bank through adapting its business model has found a way to remain resilient in the face of the environmental dynamics as they were. Opinions in the data also reflect the strategic role of the Delta bank's management team in the process. As senior manager commented:

"I think for the bank it is just really the ability to adapt and be resilient to absorb all these cyclical changes. And therefore, it's the duty of every organisation; the top level of a bank to understand these cyclical changes and adapt to it. [DSM1].

On the other hand, however, it was also revealed that will continue to maintain core interest in commercial and corporate banking. This is mainly driven by its profitability appeal. As one of the senior managers explained:

But we are not losing sight of our core high earning commercial banking, corporate banking because obviously in terms of profitability it is a lot more profitable [DSM3].

This later comment also meant that Delta bank's bias towards corporate banking remains core to the bank but then has orchestrated the necessary balance on its asset base and sources. Therefore, the retail and value chain banking model reflects the management's problem-solving capability and initiative as a response to shifts in the business environment.

8.3.3 Organisational culture and values

Organisation culture is one of the most significant themes uncovered in the Delta's dataset analysis process. Section 8.1 above earlier on noted that the organisation's vision is embedded into practice in the organisations through eight core principles also known as the 'orange rules' of the bank. Those rules or principles were differently discussed by all managers interviewed in the study to represent the values, DNA and culture of the organisation and essentially what sets Delta apart from their rivals. The following comment best reflects the views shared by the managers:

"The real big thing for us I think is our organisational culture, the way we work, the way we do things, the way we achieve results. That's really what sets us apart because at the end of the day we are all doing the same business" [DSM3]. This concept of organisational culture as used is therefore all-embracive. More specifically, the research participants expressed the organisational culture as evolving to include: 1) being proactive and agile 2) innovative, adaptive, and flexible ; 3) having enabling work environment with 4) flatter organisational structure; 5) anti-bureaucracy 6) employee empowerment; 6) promoting the spirit of leadership and accountability; 7) good corporate governance and professionalism; 8) having a clear plan and not having to react to everything 9) passionate/prioritising customer focus and listening to stakeholders; 10) continuous learning culture 11) teamwork and collegiate system 12) always seeking information and 13) ultimately being result-oriented. The following comments are typical:

"…we are having to evolve some of our traditional ways of doing business to being more agile, and so we are able to respond very quickly; we can possibly foresee okay where are the areas we can begin to compete" [DSM3].

"…we are very proactive and therefore most of the changes, we saw them coming ahead and wherein our strategy make plans on how to thrive even in the light of those changes" [DSM1].

"…we have a very enabling environment in {Delta} that really promotes that spirit of leadership in everything that you do. I think bureaucracy is also non-existent, there is no perfect system, so I won't say non-existent – I will say almost not. And there is this high-sense of ownership. You just feel like it is my business, I am running my own business" [DSM3].

"…for us we try and get information as in you just try to know what is happening around you and sometimes you get the information through your customers. That's why one of our major goals is to be as close to our customers that they become your friends, and they can talk to you" [DMM2].

"…it's a very flat structure whereby your voice is heard and whatever you have in mind is discussed. There is no one person that can shout you down or say no to you. There is no one person can say no to what you want to do. It's something close to a collegiate system in taking some decisions" [DSM4].

As one may note, firstly, the described strategic vision and organisational culture are considered in this study as pregnant concepts with many related things that need to be clarified. In Delta, the managers think that they (organisation) are no longer a Nigerian bank and so must act to reflect that self-assessment. In that regard, the organisational culture and values and a commitment to their evolution were accentuated. The role of managers' cognition is significantly reflective. In the data, observations also show that the stated attributes, vision and thinking all mirrors much of the strategic actions, initiatives, and responses of the organisation in the studied period. The most significant aspects relevant to this research have been included in the analysis that follows.

8.3.4 Regional/International Expansion

As a bank with an eye for being "truly international", strategic actions of Delta involve regional and international expansion and business operations. While the expansion projects were not exactly because of the headwinds that affected the Nigeria business environment, given the already existing subsidiaries of the bank by 2014. Managers' thought in Delta entails that the strategic decision of the bank as earlier made to explore and play in the international space, not Nigeria alone, was nonetheless validated by recent experiences in the latter. As evident in appendix 3, apart from Nigeria, Delta have increased their operation to ten other African countries and UK in Europe – the latest being their adventure to East African nations including Kenya, Uganda and Rwanda in 2015 after the encouraging results and performance in their West African subsidiaries. The commitment, motivation, and drive for further international expansions were uncovered in this case. As confirmed in a press statement in March 2016 by the CEO that:

"…we remain committed to maximising shareholders' value and delivering superior and sustainable returns whilst actively expanding our franchise in select, high growth African markets where we believe we have a competitive advantage".

One of the senior managers also asserted that:

"In the next five years, we are going to be known African wide. We have African inspiration, we are no more a Nigerian bank; we hope to be everywhere in Africa; to be one of the most profitable banks in Africa, number one or number two. …we've conquered Nigeria; there is nothing for us to prove again in Nigeria. For the past five years or six years, we've been the most profitable bank. I mean the next bank to us profit-wise is probably 60 or 70 billion away. So, really we've moved, we are looking at Africa, we want to be the most profitable or second most profitable bank in Africa in absolute digits" [DSM4].

These comments are significantly consistent with the DMC in terms of, the management's belief and commitment. It also shows the management to be selective in their commitment and the clear intent for continuous international outlook include maximising profitability – a *sin qua non* for increasing an organisation's asset base, regional recognition and reputation building. The validity of the management's strategic decisions is also reflective in data as claimed. Data show that the contribution of the regional operations to the organisation's balance sheet constitutes 8.29% of the declared PBT of Delta in 2016 up from 6.8% in 2015. In other words, the management's belief, attention and perception of the Africa market as untapped or under-tapped *"land of opportunity"* [CLS, 2016] as drivers of organisations resource base expansion is confirmed. Arguably, therefore, the management's interpretation of the environment can be a key driver to the organisation's possible takeover and aim to seek dominance of the African space in terms of customer base.

8.3.5 Building Digital Capabilities and Business Systems Upgrade

To support the new business model/strategies focus on retail and SMEs, and banking wider operations, Delta has been investing significantly in digital technology infrastructure and upgrades. The shared understanding by the management entails that *"as a bank that wants to continue to win and dominate",* it is quite crucial to quickly move beyond traditional banking processes also referred as "bricks and mortar" to playing more into the digital and 'commercial lives of their customers'. As differently explained in the following comments:

"If you look at the industry, we are trying to push out a lot of alternate banking channels; you know we are saying, we have to move beyond bricks and mortar – to now focusing on electronic banking, etc." [DSM3].

"…we believe that the banking of the near future will be fought and won in the digital space. We created a whole directorate for digital banking which is headed by an executive director. That's where we believe it's going to be fought and won" [DSM4].

"We are investing and building our digital capabilities, and also actively seeking to collaborate with Fintech companies" [CLS, 2016].

"We played to our strength by leveraging technology to deliver superior payment solutions, grow our customer base and enhance our service delivery channels to make banking with us simpler, faster and better"[CLS, 2016].

"As part of our strategy to grow our retail business, we are continuously making our banking processes and touchpoints simpler, easier and faster, irrespective of where and when our customers choose to bank. This has enabled us to improve the customer experience across all our touch points; from expanding the range of functionality we offer on our internet, mobile and USSD banking platforms, to ensuring better experience in our branches and providing more intelligent Automated Teller Machines (ATM) to allow customers save time through efficient self-service" [CLS, 2016].

Apart from using digital technology to grow customer base and making banking simpler for customers, another aspect found in data relates to using digital technology to enhance internal business management functions, to save time and cost and facilitate communication. One of the middle managers talked about how they now have to have business meetings and decisions made and disseminated remotely. The following comment confirms this:
"We also have meetings that we hold by teleconference or digital streaming where different groups and divisions come in so they can hear what the MD is saying, and what the other people are saying even though they are not physically present" [DMM2].

In all, it shows the focus of managers is driven by their belief that banking business for now and in the future would be largely driven by technology and only aligning with that would make the bank to remain competitive. Buoyed by this understanding, Delta bank has invested in up-to-date ATMs and digital touchpoints; upgraded their mobile and electronic banking platforms with expanded functionalities and services. Fintechs are partnered with to develop and hone its banking apps for even more efficiency.

8.3.6 Created New Divisions and Structural realignment

Given that digital capabilities and technology have become key enablers for exceptional customer service, products offering, and competitiveness, Delta not only invested in them but also created new divisions and to facilitate structural realignments aimed at taking full advantage of digital revolution and innovation. This strategic change initiative meant that the bank created and integrated for instance the Fintech and Innovation division into its structure to drive innovative provisioning and co-creation. Data show that the main focus of the division involves identifying and partnering with software developing firms and other Fintech firms to create new products and services for their customers and maximise the opportunities they present. As confirmed in his 2016 letter to shareholders by the CEO that:

"...mindful of the inherent competitive advantages that we possess in the digital world, we have created new divisions and aligned our structure to ensure that we are positioned to take advantage of the opportunities birthed by the digital revolution" [CLS, 2016]. This was reaffirmed by one of the senior managers interviewed as he declared:

"Apart from what is happening now, we believe that the banking of the near future will be fought and won in the digital space. ...and we created a whole directorate for digital banking which is headed by an executive director. That's where we believe it's going to be fought and won" [DSM4].

One of the senior executives/managers interviewed by this study happened to be playing a leading role in one of the new divisions/directorate referred. Shading light on what the division does and his role as a key member of the division, the mangers explained that:
"...broadly, I am creating new products and services, and partnering with Software developers' [Fintechs'] to create services for our customers" [DSM1]. By this structural realignment, the management consideration summarises that:

"With the repositioning of our business structures and significant investment in our digital abilities, we are confident in our capability to deliver differentiated products and services to our customers whilst enhancing cost-efficiency and reducing risk" [CLS, 2016]. Notable in the above comments is the emphasis regarding the management's belief as an influential factor in the decision to create the division.

When talking about structural realignment, apart from creating new divisions, it also involved implementing a less-hierarchical organisational structure that supports consistent innovation and value creation ideas of the management in terms of superior products and services offering of the bank. More specifically, the bank took a decision to shift from its traditional hierarchical organisational structure to now implementing flat structure as a way to facilitate cross-pollination of ideas, freedom of expressions, collegiate decision making, efficiency, and quality services delivery. As confirmed in the following comments:

"...for the purpose of the usual traditional structures, we have divisional head, we have group head, we have unit head, team members and all of that. But also, in terms of how we then operate, it is more from a flatter type of model than ...a lot of hierarchy" [DSM3].

"…ours is typically a very flat structure. And it is also role-based; so, that's why you see things moving very fast and decisions are made very quickly. There is no typical hierarchy of structure and all that; everybody knows what they need to do and they know who to interact with to get things done" [DSM1].

8.3.7 New Collaborations/Strategic Partnerships

Traditionally, banks for some reason including confidentiality and security were often averse to collaborations, especially with intermediaries. In the case of Delta, this has changed. As mentioned hitherto, the new business models of Delta with focus on retail and value-chain banking strategies involve new collaborations and strategic partnerships with Fintechs, and telecoms firms, retail merchants, service stations and customers as well. The purpose of the strategic partnerships as all dataset indicates include (a) to help with innovations in terms of developing new or honing existing products and services and payment solutions (b) to leverage, facilitate or enhance access to untapped frontiers and better distribution (c) to serve as learning, knowledge sharing and feedback channels for novel ideas for improved customer services and experience. Asked about his role in the organisation involves, one of the senior managers (DSM1) interviewed in the study explained simply:

"I am creating new products and services and partnering with software developers (Fintechs) to create services for our customers. Probed further, he went on to add:

…We are collaborating with other entities and trying to prioritise what are the most important things to do at any particular point in time; …we are taking customers' feedback very important, and we share that feedback internally and based on that we come up with processes, products, and services for our customers [DSM1]. This aspect highlights that engagement and partnership with customers constitute part of the processes.

As earlier noted, whereas this also confirmed their CEO's comment to shareholders that:

"We are investing and building our digital capabilities, and also actively seeking to collaborate with Fintech companies" [CLS, 2016]. Prominent examples among recent strategic partnerships of Delta in the data include collaboration with one of the telecommunication giants in the country on one hand and on the other hand with downstream sector retailers and merchants to launch one of the organisations recent flagship products, '737 cash-out service'. As the CEO 2016 letter to shareholders confirmed:

"We partnered with Downstream Retailers to launch our 737 cash out service; a service

initiative that allows our customers to withdraw cash at Service Stations across Nigeria using our 737 banking platform". With the service stations, it shows that the partnership involves multiple parties. Probed further to understand not only what led to the 737 project but also how the idea emerged. It was discovered that the managers perceived the emerging telecom industry in Nigeria as an important opportunity. Comments by two of the senior managers were insightful:

"…it was just this phone thing that really brought the idea that you know what, let's see how we can partner with the Telcos (i.e. telecommunication companies) and come up with something that would also enable us to serve our customers better and more conveniently" [DSM3].

*"Basically, what happened was that we have about 10 million customers now. And clearly, we don't want them in our banking hall. We want to look for a way to service them. And then we started with the internet-enabled funds; then later we realised that the bulk of the Nigerian populace does not carry the internet-enabled funds. They actually carry domi funds (domiciliary funds), your regular normal funds. So, we then have to look for a product that can talk to those regular funds, and that's how the *737 came by. You don't need internet access, they don't need data, they don't need anything; all you need is to have a phone and you can do your banking. So, it's taking banking to the hinterland, to the rural land, to where - nobody needs a smartphone; a teeming population of the country does not have a smartphone. So, we had to look for something that can work with normal phones. That's how *737 came to be"* [DSM4].

The above comments have significant implications for DMC and cognitive capabilities for perceiving Nigeria Telcos and other partners as useful resources and the problem-solving capability by which the product was honed and deployed to suit the business environment. Discussion earlier on highlighted the expressed success Delta bank made of this project.

8.4 How managers balance between routine and better decision-making/strategy

Findings show that organisational culture involving promoting creativity and innovation, flatter organisational structure and collegiate decisions making processes, employee empowerment, communication, negotiation and ability to convince other stakeholders were often leveraged on by managers to implement strategic change and effective actions.

8.4.1 Creativity and Innovation

All managers interviewed in Delta claimed that their organisation is known for innovation; that it is the language they speak and the value they share. Therefore, it comes to them naturally that the organisation is open to ideas from employees across different levels even as they all are encouraged to be creative and to think of innovation as fundamental to the organisation focus on superior customer service. As one of the senior managers explained:

"…we promote creativity and innovation. It can come from the down, it can come from the top; it can come from the middle. So, I would say …collective idea from across the organisation looking at the key stakeholders in managing that customer experience" [DSM3].

This means that in as much as anyone can be seen as offering good ideas, acceptable to the important stakeholders e.g. the executive management, the board, and regulators, and ultimately would contribute to good customer experience, a change in existing norms can be allowed. Therefore, one can also think of DMC as comprising being creative.

8.4.2 Negotiation, communication and ability to convince stakeholders

Another aspect revealed by the study as differently expressed by managers interviewed relates to using communication, negotiation, engagement, stakeholder management, and convincing presentations as tools for influencing strategic change. The following comments confirm this:

"It's all about negotiation at the echelon and in order for you to get people to see your point of view about the way to go; you have to be absolute in your delivery to ensure that your terms are not confusing" [DSM1].

"I think really …the primary thing for everybody is what is in it for me …you know people once they understand what you are trying to achieve. …Then in terms of ensuring that you communicate appropriately. Maybe breaking things down so that people have a good understanding. But I think if people at the end of the day understand what you are trying to achieve and understand that it aligns with the overall objectives of the organisation, then …they may buy into it. So sometimes you need to do a lot of engagement, stakeholder management to sell that idea, so that needs to come to play" [DSM3].

8.4.4 Flatter organisational structure and collegiate system

Discussion in the section 8.3.3 already marked flatter organisational structure as relevant to DMC. Findings in the case of Delta also show particularly that implementing flatter organisational structure and "collegiate system" are relevant to finding a balance between established organisational routines and manager's proclivity for strategic change. Related to 8.6.2 above, participants in the study expressed that that facilitates freedom of expression with idea/project initiator not having to think of being embarrassed or intimidated even if the idea would not be allowed. It also enables greater involvement, participatory and more convincing decision-making. As DSM4 and DSM3 confirmed:

To a reasonable extent, the way we set up the bank like I said it's a flat structure, it's a very flat structure whereby your voice is heard and whatever you have in mind is discussed. There is no one person that can shout you down or say no to you. …It's something close to a collegiate system in taking some decisions and you can push the bandwidth, the points … your case … yes, this guy really-really want this thing and we'll all look at it and by the time you are saying yes or no to it, you will be convinced that the best decision has been taken at that time [DSM4].

"…a lot of the time we operate from a team type of structure depending on what we want to achieve; and then we say okay, how can we drive that agenda?" [DSM3].

8.6.5 Enabling environment Trust and Spirit of Leadership

Concepts such as trust, and spirit of leadership were used by managers interviewed to talk about the atmosphere in the environment in which managers are meant to feel well-assured of their capability and personal responsibility to anchor relevant projects and to make appropriate judgment based on their professional development, and support available to them. DSM3 summarised as follows: *"We have a very enabling environment that guarantees trust; that really promotes that spirit of leadership in everything that you do. I think bureaucracy is also non-existent, there is no perfect system, so I won't say non-existent – I will say almost not. And there is this high-sense of ownership. You just feel like it is my business; am running my own business"* [DSM3].

It thus became clear from this view that with less bureaucracy and enabling environment available, managers are confident to quickly respond to opportunities, taking personal responsibility as exemplified in the earlier cited comment by DSM1 *"I am …partnering with software developers (Fintechs) to create services for our customers.*

Chapter Nine

The Case of Ebonyi

9.1 Profile of Ebonyi Bank

Due to space, a brief profile of Ebonyi is contained in Appendix 3. Analysis of data thus continues in the next section with attention on the first objective of the research: to determine the environmental challenges faced by managers in Ebonyi in relation to DMC deployment.

9.2 The Nigerian Business Environment

Table 9.1 below presents a summary of key findings about what was summarised as *"macroeconomic, regulatory and market-specific challenges faced by the Nigerian banking industry"* [PR, 2015] in the case of Ebonyi.

Table 9. 1 Themes related to Environment in Ebonyi's Case.

Focal Inquiry	Emerging themes/concepts	Classification	Implications
Business Environment	**Economic uncertainties/downturn** – Drop in the price of crude oil with effects on e.g. GDP, FOREX, inflation, liquidity and interest rate, low household demands/spending **Regulation** – e.g. - TSA - tightening monetary policies Lack of organised risk identification strategy/supporting institutions Inconsistent government policies Systemic problem **Sociocultural challenges:** - People's behaviour and lifestyle - Evolving customers' needs	Uncertainties and challenging business environment	Heightened risk of lending Increasing NPLs Reduction in deposit base
	Nigeria's population Over 150 million people Technology Agriculture and other real sector FGN new diversification policy	Business opportunities	Opportunity to harness retail/SMEs segment Leverage on technology advancements

As with other cases examined, the challenges mainly emphasised about include industry regulations and economic downturn due to the drop in the commodity price of crude oil that began in 2014 and its resulting effects on the banking industry. Data also highlights the challenges to include lack of organised risks identification institutions, inconsistent government policies, and systemic problems.

9.2.1 Economic Factors/downturn in the oil & gas sector

One significant challenge in the case of Ebonyi was about the state of the nation's economy and its implication for the banking industry. The picture given of the country implies that it is a highly uncertain business environment: As evident in the comments below:

"…ours is a spongier economy – you have a lot of room for improvements; the physical inconsistencies, they are not working in isolation. We are working in an economy that is highly uncertain, policy inconsistency" [ESM1].

"The economy is not a good one so to speak; … we have been in recession, it has been a big problem" [EMM2].

"The challenge that we face is not the fault of any specific actor…The prices naturally fluctuate and at some point, they will peak and then fall. The way that markets react is what really matters. Naturally, it is bound to affect us, and the price of crude oil has dropped from over $100 per barrel, to on average $55, a decline of about 50%" [CEO in an interview with TBY].

While the above comments all confirm the economy as being challenging and have had negative impacts on Ebonyi's business as with other banks in the industry. The CEO in that interview (with TBY) posits that the challenge should not be considered as that that was caused by any particular sector as it was more related to the consequences of neglect of other real sectors hitherto. However, the CEO believes that it is how players in the industry reacted that is crucial. That implies that regardless of whatever, the onus lies with the management to ensure that appropriate decisions/response.

9.2.2 Regulation/Policy Inconsistencies

Although that challenges from changes in industry regulations were among the most referred concepts in the case of Ebonyi, the opinions expressed by the managers appeared mixed. As the following comments indicate:

"…things like COT that we normally charge our customers have been cancelled by the CBN completely and now introduced what is called maintenance fee which is like 1% where we normally charge 5%. So the income lines have also been sealed up which is also a major challenge" [EMM3].

"Before now, we actually have something I call a boom; let me say boom because before the era of the TSA … we had so-much funds with us to trade with. So with the announcement of the TSA …that now poses a big challenge on banks and the need to source for more funds because if you want to retain your level or maintain your position, you need to really fight and work harder. So that really brought a big challenge to us, all of us" [EMM2].

However, a senior manager of Ebonyi interviewed in the study, and the CEO of Ebonyi based on media interview accessed by this study both shared a different perspective in relation to changes in regulation and CBN monetary policies. While admitting that the policies generally became more 'stringent' or 'tighter', they both believe that they are steps in the right direction by the regulatory body (the CBN) and particularly necessary for a healthier banking system. Their positions also imply that the CBN monetary policies are rather partnering commercial banks to become more stable in terms of income lines, prudence in lending, better supervision and protecting the system from unforeseen negative events. The following comments bear these perspectives:

"…the CBN has determined that no bank will fail, so that has also reflected in their level of supervision. They are being stringent in their regulatory scope now, they are partners in progress unlike it used to be. They are more involved and I think together with the banks, we are achieving results; I think Nigerian banks are stable and they are okay. …And even from the regulatory point of view, there are limits, there are threshold that has been set. Take for instance you cannot do more than a percentage in a particular sector. And to manage concentration too, you cannot lend more than a particular percentage to a single obligor. So, these are things that have been put in place to really guide and protect the system from unforeseen events that are catastrophic in nature" [ESM1].

"I am not opposed to the Forex restrictions…The CBN has taken a step in the right direction, and they have the backing of the entire banking industry. If we look inwards, we can actually conserve a lot of foreign exchange, and we can employ more people who are going to go back into agriculture. We cannot continue to import endlessly. It is really important to make the distinction," [the CEO in an interview with TBY].

Note that the CEO response was with regards to the CBN policy change in relation to foreign exchange. This regulatory policy, however, was partly a response of the CBN to the pressure on FOREX following the drop in the commodity prices of crude oil. So, these issues are interlinked and the opinions of mangers regarding their effect on the economy are next.

9.2.3 Lack of risk identification strategy/Institutions

Another significant challenge identified in the dataset was the lack of supporting institutions to assist with the risk identification strategy for banks. This can be considered as part of what the press release statement of the bank cited above in 9.2 consider as "market-specific challenge". Ebonyi managers expressed frustration with the lack of institutional framework in place to aid risk management in the country's banking sector. As explained by one of the senior managers, that:

"Unlike the developed climes, you know the business of banking is entrenched on risk-taking. You take from area of surplus to the area of need. You are just serving as an intermediary and this intermediary is entrenched with many risks. You collect depositors/fixtures money, you lend out in terms of you create risks assets. Unlike developed climes where you have very organised identification strategy, where you have a unique number that is unique to an individual, but here because it is an emerging economy, to identify risk is a challenge; to really know the right person you are dealing with, the right borrower is a challenge" [ESM1].

The managers' frustration was observed. It is often a source of pressure on managers in the Nigerian banking sector and for them as a bank. Managers tend to be helpless yet the primary responsibility of a bank remains that of creating risk assets. Consequently, the decision making and cognitive capabilities of the management are often called into action much more than what banking should be as in the developed economies, else, competitive survival and profitability would be unlikely.

9.2.4 Sociocultural problems/systemic Issues

A related factor to the lack of institutional support discussed above was what one of the managers in an interview described as *'systemic thing'*. Thought was given to the context in which the issue talked about by the researcher while reading through the transcript over and again and it was believed that the manager was alluding to the sociocultural problems in terms of lack of trust, lifestyle or negative behaviour of some individuals. As the manager explained:

"…if you give loan to somebody, instead of him to go and use it for what it is meant for, the person will go and marry another wife; …change his TV from 21 inch screen to 75 inch screen TV, at the end of the day, the money has not been used for the purpose for which it was taken and then the repayment now becomes a problem. It is a systemic thing." [EMM3].

It suggests that with available organised risk identification strategy as alluded to by ESM1, managers would have less challenge with decisions-making in creating quality risk assets.

In sum, it implies that the Nigeria business environment presented tighter regulation and macroeconomic, sociocultural and market-specific challenges for Ebonyi between 2014 and 2016. The consequences of the challenges were said to have affected the risk asset quality and achievable profits of many banks in the industry, including Ebonyi. Table 9.2 below presents a summary of the key performance highlights of Ebonyi between 2014 and 2016 in order to support the analysis of findings in this case study.

Table 9. 2 KPH in Ebonyi's Case between 2014 and 2016

For the Year ended December	**2014**	**2015**	**2016**	**+/- %**
Gross Earning	403.3b	432.5b	507.9b	17.4%
Profit Before Tax (PBT)	119.7b	125.6b	156.7b	24.8%
Customer's Deposit	2.53T	2.55T	2.98T	16.6%
Loans and advances	1.75T	2.03T	2.36T	16.2%
Non-Performing Loans (NPL)	1.75%	2.18%	3.02%	38.5%
Total Asset	**3.755T**	**4.007T**	**4.739T**	**18.3%**

From the above table, it can be observed that despite the challenging business environment, Ebonyi compared with other cases examined by this study maintained impressive performance in terms of profitability, customer's deposit, gross earnings, and total equity. While the NPLs, on the contrary, indicates a negative trend; compared to competitors in the industry including the other case studies explored by this study, and based on the increase in loans and advances created by the bank, the percentage ratio still represents one of the best under the tough environmental conditions discussed above. The succeeding section focuses on the management's strategic responses in relation to those environmental challenges.

9.3 Strategic Response/ Management Actions

The strategic responses/actions of managers in Ebonyi are presented in table 9.3 below.

Table 9. 3 Themes/concepts related to DMC in Ebonyi's Case

Themes/concepts	**Categorisation**
Benchmarking operation with international best practices Aiming to always be the best customer acquisition approach and service	Vision and reputation building
Customer-centric and quality service as hallmark Innovation as core in product, process/customer service Giving attention to details	Innovation/Excellent customer service
Modified/extended business model to cater for personal banking and SMEs segments to enhance client base and revenue through retail, value chain, financial inclusion and agency banking Adapted in a cautious manner	Increasing market share via innovative business model
Opened new branch in Dubai	Geographical/International expansion
Automation processes seeking cheap deposits, Reduction in cost of borrowing	Cost Control Initiatives
Contingency funding planning test Threat testing, scenario analysis, information seeking, managing NPL	Robust/Proactive Risk management
Upgraded core banking application; Promoting online banking Additional units of POS, ATMs, systems	Investing in Technology, Business Systems/Application Upgrade
Top-notch workforce entry-level – minimum of first degree with 2:1 – seamless in training Adequately and consistently trained staff Having motivated workforce Employees having a sense of premium placed on them	Quality/Committed/Motivated Workforce Culture
Source: interviews, press releases by firm website 2014 to 2016; media interviews	

9.3.2 Innovation and Excellent Customer service

In Ebonyi, managers talked about innovation and superior customer service as what has enabled them to maintain leading positions in terms of capital base, market share, and profitability despite the recent challenges they faced. Managers' claim doubled their effort in looking to improve in terms of their processes, products offering, and quality customer service, the CEO commented as follows:

"It all boils down to innovation. At [Ebony bank], we try to look at how to do things better, and differently. The bottom line is, understanding how to connect with our customers and add value to their business. We have seen that, over time. Once a customer believes that there are values derived from our business they will come to us. Our improvements in profitability between the previous and the current year boil down to what we have been able to do with our customers. Besides this, we have also gained market share because of the quality of our service" [CEO interview with TBY, 2016]. One of the senior managers also confirmed:

"…we try as much as possible to surpass our customers' expectations in terms of customers' service delivery. Things that people will overlook, we try to give that service that will guarantee another visit. So, these are strategies that have worked for us over the years and we are not relenting; we are building on it, coming up with newer strategies that at least will make us competitive in the space of banking services in Nigeria" [ESM1]. Probed further, ESM1 explained as follows:

"…it is a culture of the bank we are always the best. So, when you have that at the back of your mind, you can't settle for less. That is the hallmark of the institution I work for".

In the above comments, the CEO was responding to how the organisation achieved 17% year on year profit in 2015 at a time some other competitors reported profit decline and fighting for survival. The response highlights innovation central in the organisation's success. ESM1 also supported this view by talking about how they are building and coming up with new things. But according to ESM1, the ability to consistently innovate and maintain a culture of being always the best is traceable to the management's 'mindset' to not settle for less and which employees are meant to develop and deploy. It is thus notable that this view is relevant to the concept of cognition and DMC discussed in chapter three of this thesis.

9.3.3 Increasing Market share via innovative business model

Data show that until recently, Ebonyi in line with its stated vision has core interest in corporate, public sector and personal banking operations, especially in the Nigerian space. The success of the bank is strongly attributed to the customer base of the bank in the corporate banking segment as the CEO declared *"Our success is largely a product of our client-base. We have the largest number of multinationals as customers, and that is a major endorsement for the brand and for the bank.* "*…we have a greater number of multinational clients than any other bank in Nigeria*" [CEO interview with TBY, 2016].

In fact, when referring to their customer base, a statement on the organisation's website at the time of this study still reads *"the bank's customer base comprises mainly corporate entities*". This meant that despite the recent environmental challenges, and while acceptably altering their business model to play in the retail banking segment, corporate banking remains for them their core model. As one of the senior managers interviewed explained:

"Before now we don't use to be a retail banking fit like that …But of late, we just believed that okay there is a need for us to cautiously come down the ladder. Mark my word 'cautiously' come down the ladder, strategically come down the ladder so that at least we can also meet our customers' needs at that segment of the market. So we have our own strategy and it is working for us" [ESM1].

Ebonyi CEO also shared the above notion albeit succinct as he explained:

"From a banking perspective, we mirror the economy. When the economy is under pressure, it resonates in the financial system. We are committed to looking at innovative ways to gain even more market share" [CEO interview with TBY, 2016].

It is clear from the above that the management made a shift mainly to play in the retail market but would play on it like others. There remains focused more on the corporate banking business model as reflective in the senior manager's comment that they are "cautiously coming down the ladder". In contrast to the perspective shared in other banks explored by this study, it also means that managers in the organisation previously perceived the retail banking segment as a more risky segment compared to corporate banking hence, their concentration in the corporate segment. Therefore, the consideration to play in the retail segment was a recent strategic choice as the public sector banking has seemingly become hampered from the regulation standpoint and the corporate banking segment challenged as well due to the economic downturn earlier explained.

Consistent with this reasoning shared by the CEO about *"innovative way to gain even more market share",* this study also identified that 'SME banking' has now become a new addition to the focal business segment of the bank as evident on the bank's website. The concept of financial inclusion and value chain discussed below elucidates on this.

Financial inclusion was an initiative of the CBN which encourages banks to promote and help to develop the country's economy by lending to especially SMEs in real sectors of the economy e.g. Agriculture, often neglected by banks while giving more concentration sectors considered more lucrative sectors like the oil and gas. As alluded to by the CEO, Ebonyi notably has adopted this business strategy to grow her market share by focusing on creating risk assets from SMEs. That implies deriving income from the value chain of corporate firms much of which is already being serviced by the bank.

In the data, the concept was also used to reflect banking the unbanked – another term widely used even in other cases explored. The unbanked are individuals that do not even have a bank account while the under-banked refer to individuals/micro-businesses who may have bank accounts but not hitherto given adequate attention in terms of products and services e.g. pensioners, farmers and women entrepreneurs. Most of these people are in rural areas. In all, admittedly, albeit cautious, Ebonyi modified their business strategy and embarked on mopping up deposits from those earlier neglected sectors and in turn growing their capital base in the short to medium term. As evident in the following comments:

"…we sat down and …said what was it that these guys (competitors) are doing that we are not doing. And one of the major things was to make sure that we take the banking down to the grassroots to make sure that everybody maintains an account so that even if it is 1000. Before, I mean some 10 to 15 years ago, for instance, my organisation will not open a savings account with you if you do not have one million naira as the initial deposit. After some time it was brought down to N500,000, after some time it was brought down to N300,000 naira, after sometime N100,000, after sometime N50,000 but as of today as I am talking to you, you can open an account with zero balance and fund it later. … So, those are some of the strategies we are doing to make sure that everybody is now in our book. Okay, one-one thousand naira everywhere, we believe that one-one thousand from everybody is better than one million from only 30 people; that's part of the strategies that we introduced so as to continue to maintain a lead; have a clear cut leadership position – those are the things we are doing" [EMM3].

"If you look at all the other banks, you see that we need innovation to gain adequate coverage. We were one of the first banks to launch mobile money. We are investing in this area because we believe the benefits will come quickly and help in terms of enhancing the payment system. One of the ways in which we promote financial inclusion is by leveraging agency banking which offers banking services to villages. …We have over 400 locations but in a country as big as Nigeria with a population of over 150 million people that is not sufficient," [CEO interview with TBY, 2015].

From the above, it can be noted that a shift in the management's mindset influenced the decision of the organisation play in the retail/SME banking segment and agency banking model. The reasoning is first on the basis of competition, secondly, to mobilise more deposits (to increase their financial asset) through new customers acquisition and third, to enable them to sustain industry leadership. It was found that the impact of this change of mindset was evident not only on modifying the business model of the organisation but also on the immediate/short-term contribution it has made to Ebonyi's balance sheet. As declared by the management in a press statement:

"The impressive growth of non-interest income is primarily attributable to the banks … retail drive and derivatives income. The increased focus on the retail drive resulted in a 46% Y-o-Y growth in savings deposits" [Ebonyi's press release statement, December 2016].

9.3.4 Technology, Business Systems, and Application Upgrade

Another way Ebonyi, is responding is by investment in technology. However, deploying innovative technology in relation to its banking operation predates the year 2000 when the IT infrastructure in Nigeria was still at its low state. The management has continued to invest in IT, which in their view is not because of the recent challenge in the business environment but because it has been a core interest of the management from the start. The following comments support this:

"At [Ebonyi], we are deeply interested in technology. Prior to 2000, teledensity in Nigeria was less than 1 million, while today, it is at around 100 million. Aware of this infrastructure deficiency at the time, we established the necessary services to enable us to provide a telecommunications network for all of our branches. This helped in terms of our real-time banking at that time. And if we were able to accomplish that then, you can imagine what we can do now" [CEO in an interview with TBY in 2016].

"Presently, we are implementing a core banking software. It was because we felt …there is a need for us to move from where we were, to a higher level in meeting number one; customers' need, and also meeting the need of a bank of our size. So, that is one major decision that has really cut across all the segment of the bank – changing our core banking application to a higher version, to something that is more robust than we have been using before" [ESM1].

In relation to the decision to implement the core banking software, when probed further on how the decision was made, the management responsibility of having to buy-in a number of stakeholders who needed to share their idea or believe first on the need for the technology itself and secondly, the timing of the project given the huge investment required. The rationale for the project was further explained:

"If you check globally now, it is not limited to Nigeria. The incidence of cyber-attacks or risks is on the increase. To mitigate this we need to invest heavily in IT. So, the reason why we have decided to do some of this project is that we need to promptly respond to this. So, you need to build firewalls, you need to get formidable gateways, so that is just that. You call yourself an international bank and you cannot attend to a customer even beyond your shore – it is a problem. The bank can go down. Or if they seize your system you need to be paying a certain amount to be able to have access. So these are critical factors that warrant prompt immediate response" [ESM1].

The management in a press release statement, in terms of numbers, also confirmed this importance of the investment in IT as follows:

"...In spite of the macroeconomic, regulatory and market-specific challenges faced by the Nigerian banking industry. Driven by our innovative processes, cutting edge technology and committed staff, the group recorded total revenue of N432.5 billion which represents a 7.2% increase over the same period last year. The group also recorded an increase of 4.9% (YoY) in Profit Before Tax (PBT) to N125.6 billion from N119.7 billion" [Bank's Press release statement, 31 December 2015]. Note that central to the three drivers of the organisation's profitability as declared was about technology deployment.

In all, the bank has been using those bespoke schemes to create value for the bank by having both the manufacturer and the SMEs/distributors in their book. Access to credit line also entails that the bank derives profits from the scheme and the quality of the product implies that the bank would continue to enjoy the customers' loyalty over time.

9.3.5 Quality and Motivated Workforce Culture

The quality of the workforce was found in the dataset as a significant aspect of Ebonyi's strategy for its achievement in the industry. The management of the organisation strongly believes that as an organisation seeking to build an international brand and reputation that the quality of her workforce remains critical. Consideration entails that their quality employees based on intellect, creativity, and knowledge would consistently be the key driver of innovative products and improved customer services with which it can maintain competitive leadership in any market they play in. Evidence obtained in the study entails that the management believes that the importance and value the organisation places on the quality of its workforce should start first with the entry-level qualification, then training and motivation. One of the senior managers interviewed by this study best articulated on the organisation's shared beliefs in relation to their workforce (people) as he commented:

"From the peoples' point of view, there are banks in this same economy that do not use the quality of staff that we use. Fine, it is coming at a cost but you cannot express the value addition in monetary terms alone. The quality of our workforce, as I told you, you can't work in where I work and have less than a first degree. But there are institutions that will employ something lower than that. But it is also a business strategy for us to say, let us go for the top-notch workforce. In a way, all these things would dovetail to quality service delivery which would always endear our customers to us" [ESM1].

"…when you have the right workforce, training will not be an issue. Training will be seamless. So, these are factors that would guarantee the success of any business venture like that of core banking application implementation even at this time" [ESM1].

"We try as much as possible to evaluate our performance management to the extent that motivation is key. You know that when your workforce is motivated they give more. So that is also a critical part of our business strategy. We look at what is obtainable; what is happening in our environment, we respond to it promptly so that our workforce can be motivated to work optimally" [ESM1]. Based on qualification/selection, training, and motivation, there are also conscious efforts to ingrain into the spirit or subconscious of the workforce the culture of being the best and to know that they have that attribute. As explained by one senior manager:

"Just say the attribute of being the best in anything you are doing. We have that attribute. It is a culture of the bank that we are always the best. So when we have that at the back of your mind, you can't settle for less. That is just the hallmark of the institution I work for" [ESM1].

One of the middles managers interviewed by this study confirmed as follows:

"…we give ourselves a high premium in the industry and I know it is working for us. Sometimes we are forced to compare notes and we ask what is happening in other banks and

see how they treat them and sincerely I will not be happy working in some of those banks. So, I think one of the major things is the sense of value that they give us" [EMM3].

Thus, based on this mind-set of being valued, and being regarded as the best, employees and managers alike are propelled to give nothing but their best in what they do, and that in turn dovetail to the level of performance the organisation desires.

The above was also confirmed by the CEO in a press release statement announcing their successful result by attributing *"the group's sustained superior performance to highly motivated staff, state-of-the-art technology, and excellent customer services"* [Source: organisation's website].

9.6 How managers balance between routine and better decision enabling change

Findings show that knowledge and creativity, engagement/communication, and buying-in are some of the processes through which managers enabled DMC for decision making to implement strategic change.

9.6.1 Convincing communication

Managers talked about being creative to come up with factual and convincing propositions to necessitate strategic change or business decision change that would be accepted for implementation. As one of the business managers (in middle-level management) explained:

"We follow it up and with facts and justifications that will make it sell" [EMM3].

9.6.2 Communication and enabling environment for engagement

Another significant concept relevant in the data was about engagement. Managers talked about having a flat structure of sort, an atmosphere that enables engagement, critical discussion and decisions are taken based on mutual understanding and collegial input. It often encourages people to come forward with their ideas. As two of the managers explained:

"We go by flat structure, let me put it that way, and so is believed to be made equal such that you can express yourself; you are not afraid of one big Oga provided that what you have upstairs they know is not (…you know)" [EMM3].

"We have committees for each strategic aspect of the bank. Like this one that I just talked about, that angle that we discussed was during our IT steering management committee meeting, we took a decision immediately, and that has been address" [ESM1].

Chapter Ten

Cross-Case Analysis and Synthesis of Findings

10.1 Introduction

The purpose of this chapter is to compare and synthesise key findings from the five cases explored by this research. Analysis in the chapter reflects three broadly interrelated sections/questions, beginning with 10.2. That is the cross-case analysis of findings regarding the external business environment challenges, the identified challenges and triggers to DMC among the Nigerian banks explored. Analysis in section, 10.3 addresses the key findings about how managers responded to perceived challenges and opportunities in the external business environment. In particular, concentration is given to responses reflecting the management's effort to create, modify or extend their organisation's resource base or ordinary ways of earning their living, or put differently, asset orchestration as operationalised by Helfat et al (2007) and adopted by this study.

Furthermore, the chapter will synthesise perspectives about how the organisation and their managers find appropriate balance between existing routines and managers' proclivity for process change (that reflects better decision making). Building on findings discussed in sections 10.2 and 10.3, analysis in section 10.4 concentrates on managerial cognitive capabilities aspect. To highlight inter-case similarities and contrasting views, and for parsimony, pseudonyms as earlier indicated in table 4.3 and applied in the within-case analysis (chapters 5 -9) have been used to attribute perspectives/findings to sources. Cross-case analysis and discussion about the external business environment is next.

10.2 Complex Business Environment and Resources Cognition

Considerations regarding the external business environment dynamics are central in the DCV and DMC frameworks (Teece, 2007; Adner & Helfat, 2003). This also reflects the first objective of this research. In all five cases: Abia, Bayelsa, Cross-River, Delta and Ebonyi, it emerged from the managers' perspectives that they are facing what was differently referred to as extraordinary challenging, unpredictable and complex business environment compared to developed countries. In their opinion, the situation became exacerbated more recently due to events that characterised the Nigeria business environment and the banking industry since 2014. Table 10.1 below synthesises the significant concepts/challenges and related tension identified from the data across all five cases in order to make the evidence more observable.

Extraordinary Business Environment Challenges and Tensions			
Cases A-E	Macroeconomic challenges	Regulation	Stiffened competition
Abia	*..” the oil price we sell has ripple effects on our foreign currencies, our exchange rate…”[ASM2]* *“…headline inflation reaching a double-digit high of 18.6 percent by December 2016”[CLS]* *“…an environment with economic uncertainty from the volatility of oil prices to the scarcity of FX” [ASM1]*	*“…our major contributor of deposit …the federal government introduced the treasury single account* [ASM2] *“…TSA …adversely impacted liquidity increasing pressure on the asset side of the balance sheets of banks”* [CLS, 2016].	*“Increasingly competitive deposit market” [CLS)* *“As a result of competition and the greater skill levels in the industry, we are likely to...” (CEO, TBY interview).*
Bayelsa	*“…income to the bank has gone down” [BSM7] “…tough operating environment for banking …with associated cost of doing business…” [CLS] At a point in time, the level of inflation in the country was about 17% - 18% …“…It’s an offshoot of what has been like a mono-economy” [BSM6].*	*“…the new foreign exchange laws have not helped” [CEO, TBY interview] Over 4 trillion left the banking sector to CBN because of TSA”* [BSM3].	*“We see increasing competition in the years ahead, particularly from technology-driven non-banking institutions” [CLS, 2015]*
Cross-River	“*…economy buffeted by a number of factors, largely due to the sharp drop in crude oil price [CLS] the exchange rate is affecting a lot of businesses today”[CRSM3]*	*“…issues around capital adequacy is very-very key now” [CRSM3] liquidity…now is a big challenge because about N3trillion have been moved to the CBN in line with the policy of TSA [CRSM2]*	*“…central to the industry is that it is highly competitive” [CRSM1] “…we tend to compete for the wallet-share of the same set of customers…”[CRSM]*
Delta	*“The economy heavily tied to crude-oil, so as … the price of crude-oil crashes, a lot of things crashes …we saw a reduction in revenue - it’s been a tough environment” [DSM4]*	*“…our regulators – if you look at the FX regime” [DSM4] “…today it is TSA, tomorrow it’s something else” [DSM1]*	*“...we are now having to compete with Fintechs” [DSM3].*
Ebonyi	*“...from a banking perspective, we mirror the economy” [CEO, TBY interview].* *“…we have been in recession” [ESM2]*	*“The announcement of TSA …now poses a big challenge” [EMM2] “…things like COT we normally charge our customers have been cancelled” [ESM3].*	

Table 10. 1 Extraordinary Business Environment Challenges and Tensions

As table 10.1 indicates, across the five cases investigated, six categories of the most commonly perceived environmental challenges include macroeconomic headwinds characterising what Cross-River-CEO described as a *"buffeted economy"*. This was mainly attributed to the decline in crude oil price which started in the last quarter in 2014. Linked and in addition to that are industry regulation issues. Other key challenges identified include sociocultural issues, government policies somersault, lack of institutional infrastructure, and stiffened competition. Of those six ***"external walls"*** (as Delta-SM4 called them), in all five cases too, managers' gravest concerns include the poor economic situation, regulation shifts, stiffened competition.

10.2.1 Macroeconomic headwinds

As evident in table 10.1, opinion by managers generally reflects sentiments about the poor state of the Nigerian economy at the time, noting especially that "*it has been like a mono-economy"* [Bayelsa-SM6] due to its major dependence on revenue from crude oil sales. It meant that Nigeria's economy booms and declines with the commodity price of crude oil in the international market. IMF's (2018) country report from an independent standpoint also acknowledged this by declaring that the most recent fall in crude oil prices coupled with inadequate policy response (next discussed), adversely affected the Nigerian economy. Figure 11 below captures the trend since 1991 and indeed portrays that the drop in crude oil price from the last quarter in 2014 was historic for the nation's economy and the GDP level.

Figure 11 Drop of Oil. Source: IMF, World Economic Outlook database (www.imf.org).

Against this backdrop, perspectives generally expressed across all five cases suggest that the Nigerian banking industry often mirrors the state of the nation's economy. This means that when the oil companies and Nigeria government are making huge revenue from crude oil sales, banking businesses and banks, as the financial intermediaries tend to flourish through huge deposits/revenue inflow and profits therefrom. On the other hand, when the oil companies and government revenue drops, the economy gets weakened and consequently, banking businesses tend to struggle and profits decline.

Observation shows that the economic downturn since 2014 was less expected by the managers. In particular, the sharp drops in price seemed unexpected given the consistent boom in the preceding years to 2014 as figure 11 above indicates. Also, figure 12 below is illustrative of Nigeria's GDP trend in five years from July 2013 to July 2016.

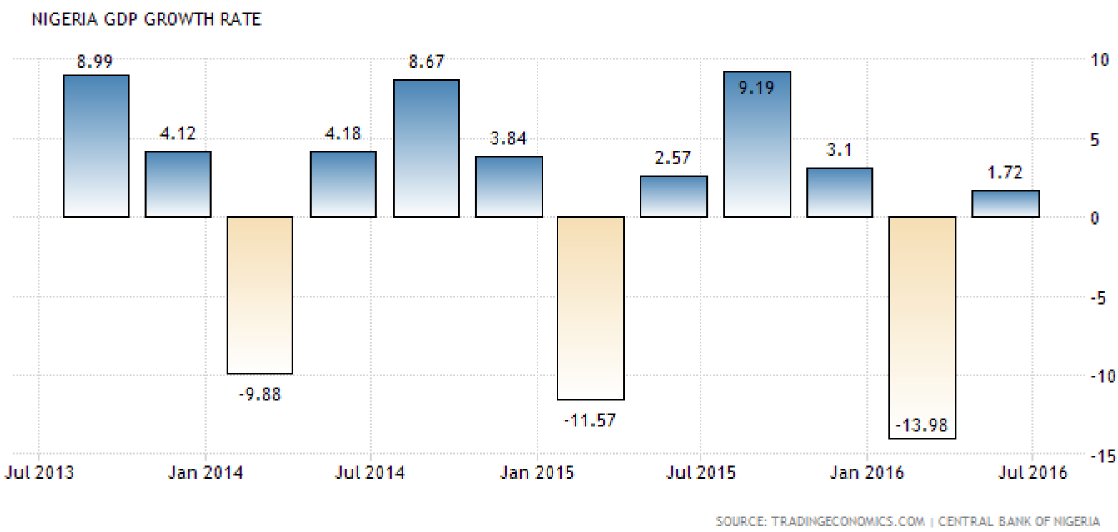


Figure 12 Nigeria GDP trend 2013 – 2016 Source: tradingeconomics.com

In figure 12 above, data shows that in July 2013, the country's GDP, the largest economy in Africa with a growth rate of 8.99%, suddenly began to decline significantly and in fact nosedived to -9.88% by Q1 2014. IMF (2018) observed that effort by the country's economic team to rescue the dwindling trend (at the time of this study) yielded only temporary palliatives or rather insufficient. The economy continued to fluctuate rapidly and by January 2016 the GDP growth fell to its record low by -13.98%. As IMF already announced, it was then officially admitted by the Nigerian authorities that the country was in economic recession. (See: CBN communique no. 109 of the Monetary Policy Committee meeting of 19-20 September 2016). So, at a GDP of -13.98% compared to 8.9% growth two years earlier, it can be understood why CEO-C described the Nigerian economy as "buffeted".

The scenario painted above provided a key step towards understanding the nature and source of the challenges experienced in the economy. As the revenue and foreign exchange earnings mostly from the oil and gas sector declined, managers in all five cases commonly expressed that that became a significant problem for them. It led to low liquidity, shortage of FOREX, poor asset quality in terms of rising NPLs and considerable pressure on achievable profits. The comparative effects of this problem on the balance sheet of the five organisation explored by this study are evident in table 10.2.

Although differently affected in terms of performance level/measure, one of the key revelations by this study was about the extent in which the cognitive frame of managers can be individually and collectively influenced by the natural resources or factor endowment in a given country – to use Porter (1990) terms. Probes on why managers have concentrated more on the oil and gas sector given the negative impact of the drop in crude oil price as generally lamented was notably revealing about how environmental factors or conditions may affect managerial cognition (Tripsas & Gavetti, 2000; Helfat & Peteraf, 2015). Indeed, the reality of these pervasive cognitive frames as linkable to strategic choices, actions or inactions by managers in the Nigerian banking industry is reflective in the following comments:

"…You know when I hear people say that our problem is over-dependence on oil and all that... There is no country in the world that is privileged to have oil that will not take advantage of the oil they have" [Cross-River-SM2].

"…banks react to where it thinks that easy money can be made" [Delta-SM4].

"…if your customer-base is predominantly players in the oil and gas sector …the strength of your balance sheet cannot be divorced from …the oil and gas sector…" [BSM2].

"*…you take what is before you first"* [Ebonyi-MM4].

"…there were always funds from government and all those big companies. But now that those funds are depleting, the business must go on and that is when you go back and you now sit and re-strategize – and you now think okay, where can we substitute these funds that are going from us?" (Abia-MM3)

The above finding was somewhat unexpected by the researcher and is notably important for DMC and managerial cognition literature. Firstly, this is because there was surprisingly, a lack of significant distinction on managements' perspective across all five cases investigated regarding the concentration they had on inflow from crude oil sales. It revealed how the mental model and attention of mangers were strongly shaped and inadvertently constrained to the reliance on crude oil income sources perhaps because the crude deposit is natural in the country and would always be available as Ebonyi-MM4 comments suggests.

There appeared to have such strong assurance of consistent windfall from the oil and gas sector and consequently commit little attention and opportunity search towards other real sectors with good income potentials. This reflects in Cross-River-SM2 comment above questioning the need for alternate attention on other sources but for the recent events and adverse experiences because it is natural to the country. It also shows that the oil money (income) was not only a matter of priority and focal attention but was even considered rightly so because the country is naturally blessed with that natural resource and leveraging from it should ordinarily be a priority. Secondly, with little anticipation of the event and little preparation for it, it also underlines the managements' myopia, through ineffective cognition towards the country's resources in relation to how organisations' income base and structure became significantly confined to the boom or doom of one particular segment of the nation's economy. This study considered this as a 'natural resource trap'.

However, the reality of this natural resource trap can be explained by the later realisation of the compelling need for change in managers' cognition and firms' strategy as further revealed by this research. This finding, therefore, signifies that there can be another dimension to the earlier theorisation by Danneels (2011), precisely, natural resources and de-facto financial resources. This thus leads this study to posit that natural resources available in an emerging economy context as uncovered by this study can have a significant moderating effect on managerial cognition in relation to DMC deployment and development. A related implication of this natural resource cognition was also exposed in relation to regulation.

10.2.2 Regulatory Headwinds/Changes

Regulations and periodic changes on them have always been synonymous with banking business not only in Nigeria but anywhere in the world. Historically, apart from the pre-1952 era and prior to the 1958 CBN Act when banking operations in Nigeria had less formal governing legislation (Alford, 2010). In all five cases, the period 2014 to 2016 marked other years of regulatory changes acknowledged by the have significantly affected their banking business. While not entirely unpredicted as they already know the industry to be a highly regulated one, based on common sentiments shared across all five cases, the TSA aspect was particularly unprecedented in the industry annals and hurtful. Other regulatory changes commonly highlighted in all cases were about monetary policies as related to cash ratio requirements, and new foreign exchange regime.

For clarity, Treasury Single Account (TSA) policy was a policy directive of the CBN which required commercial banks to return all public sector deposits with them to the CBN by 15th September 2015. Appendix 9 is a copy of the CBN circular on TSA accessed by this study. As evident in the circular, all banks were required to comply with the directive within the stated date. A shared perspective in all cases entails that the implementation of this policy directive compounded the severity of the already "buffeted" economy and the liquidity challenges faced by banks. The following comment well-summarised views in all cases about what this new reality meant for them:

"…regulatory policies such as the …TSA …adversely impacted liquidity, increasing pressure on the asset side of the balance sheets of banks. This led to strains in asset quality in the banking industry (Abia-CLS, 2016 annual report).

The CBN regulation with respect to cash ratio requirement (CRR) and the new foreign exchange regime were both monetary policies by the CBN in attempt to cushion the effects of the crash in commodity price of crude oil on the economy and to defend the weakened naira against the backdrop of dip in foreign exchange and revenue inflow. Examples include: (a) increase in public sector CRR from 50% to 75% (b) increase in private sector CRR from 12% to 15% and later on to 20%; (c) removal of some import items from the Retail Dutch Auction System (RDAS) (d) devaluation of the Nigerian naira by 8.4% and (e) also an increase in the Monetary Policy Rate from 12% to 13% (Source: Bayelsa-2014 annual report). In this regards, the following comments by two CEOs well sums sentiments shared by the management in all cases, by suggesting that:

"Several measures and policies were administered by the Central Bank of Nigeria (CBN) to alleviate currency pressures; notable of these was the restriction of access to foreign exchange to importers of selected items. Despite stabilization efforts by the government and regulators, economic prospects appeared challenging and investor bias remained bearish, thus translating to a subpar performance" (Source: Abia-CLS in 2015 annual report).

Bayelsa CEO also confirmed: *"…these developments had attendant impact on the banking sector liquidity, market and credit risk and operating cost"* (Source: 2014 annual report).

Another key finding from the study was about the extent to which the five cases examined seem to have relied significantly on government deposits. Table 10.2 shows that in all but Ebonyi and Abia, TSA contributed significantly to declines in customers' deposits compared to their results in 2014. In Delta's case, the decline was quite marginal as their deposit dropped from N1.618T in 2014 to N1.610T in 2015 but quickly bounced back beyond the figures in 2014 and 2015 respectively to N1.986T by 2016. Even in Abia and Ebonyi, despite their positive numbers, the managers admitted the effects of the TSA on customers' deposits, on creating risk assets and profitability were significant. Probed further on why the banks tend to have had much focus on government deposits rather than the real sectors, given the negative impact of the TSA. The following comments further reflect managers' perspectives:

"…we are coming from an era where you hold government fund at zero and you lend it to government and probably 16/17% - you make free money. And at times, you play the treasury because these funds stay with you idle, you throw them into treasury bills at 16/17%.…why should I go and spend my money to fund the real sector when I can get it from government at zero, go to CBN buy treasury bills at 15-20% make a lot of margin? Or, give government loans, state governments; federal government; give them loans with their own money and you make a lot of spoils from it. So it's been very easy, nobody will leave an easy way of banking to a difficult alternative. It is when the situation now became as it is now that we are now looking at all that" [BMM4].

"…you don't blame anybody, once you are awash with cash, the one-one naira doesn't make sense to you …so if I can go to the ministry and get one billion, even though I will do small retail, but I won't concentrate on it (ASM2).

"…it is actually one of those scenarios we tested before it happened. …when we came up with the idea that we are going to test it, some people felt you are crazy, it is not possible, in this kind of environment! Do you want to snuff out the banks? But when the TSA came, they said you guys are too much (ESM1).

In sum, the above comments show that Nigeria being a public-sector driven economy shaped managers' cognition and affected the way the managers went about search and selection for financial resources. As explained by Bayelsa manager (BMM4), the ease of making huge profits with less investment from government funds over the years appears to have blurred the attention of their management and other banks to other real sectors of the economy. Expression by ASM1 and BSM4 also meant that in Abia, Bayelsa and as confirmed by managers in Cross-River, Delta and Ebonyi as well, the government fund was always there and good enough to think that going after (or searching for) what was referred as "one-one naira doesn't make sense". The funds are held by the banks confidently as de facto capital base and called upon to always meet their business responsibility at will. With such an age-long practice, managers in the industry believed that government funds provided them a stable income/resource-base but again that consideration was faulty as the unprecedented TSA proved. This finding shows how DMC in the emerging economies can be negatively affected by incorrect cognition of government-funds that are always available to managers because the economy is more often public sector driven compared to developed economies.

If measured (cautiously here) by the evidence represented in form of KPH in table 10.2, in terms of total asset base, the customer's deposit, and PBT declared, it is notable that the impact of TSA was different across the cases investigated. While Bayelsa and Cross-River were most negatively affected, Abia, Delta, and Ebonyi seemed more resilient and better. In particular, Ebonyi provides an interesting case of the management's proactive to prepare against such eventuality. Managers' in the risk management team in thinking ahead suggested that the scenario be 'stress-tested', to the wider members of the bank, the question was to them, unthinkable. However, as ESM1 explained, stress-testing the organisation to some extent insulated them against the effect of TSA. This suggests that in some cases, organisation's fared better depending on foresight and if proactive by the managers.

10.2.3 Stiffened competition

Another significantly expressed perspective across the five cases investigated entails that Nigerian banks are facing stiffened competition beyond the traditional banking rivalry they know. As evident in table 10.1 above, in the case of Cross-River, the narrative involve first that the industry "is highly competitive" [CRSM1]. In the industry, banks compete for the wallet-share of the same customer segments. The problems admittedly encountered in all five cases due to the TSA policy, and challenges in the oil and gas sector makes this apparent. However, competition has become more intensified in the industry in a new context characterised by the financial technology firms (Fintechs) who banks now rely on to provide products and services that would match the demographic needs, then, of course, the changing needs and perception of customers in terms of value creation. These findings resonate with Porter's (1980; 2008) argument that forces outside a given industry often contribute to the nature of competition in the industry.

In this regard, managers across the cases investigated also believe that future profitability in the banking industry would continue to be threatened by Fintechs as technology innovations are taking a disruptive trend and blurring competition boundaries. The concerns as commonly shared across the five cases are as follows:

"…if you look at our industry we are now having to compete with technology firms – with FINTECH; so, this is business that traditionally was ours in terms of even lending, you are having back-up just with an app to challenge…you know all sorts of things" [DSM3].

"I have shared with you how digital technologies have changed our competitive landscape. Digital technologies have dissolved the boundaries between industry sectors and Banking has not been spared from this disruption. Non-bank digital players could become as integral in the banking value chain as we are to our customers, and competition from these non-bank players could erode as much as one-third of traditional retail banking revenues in the coming years" (Source: [Delta] CLS; 2016 annual report).

"We see increasing competition in the years ahead, particularly from technology-driven non-*banking institutions. The successful delivery of our business priorities over the next four years will ensure that we are strategically positioned to proactively respond to these events. This will correspondingly enable us to retain our position as Nigeria's leading retail franchise and deliver impressive value to our customers and shareholders* (Bayelsa CEO in 2015).

Thus, in relation to the evolving competition, it can be argued that while being a significant challenge as identified, and an exercise of DMC by recognising this development, it is also obvious that that is not peculiar to the industry or the emerging economies. On a positive note, however, it was also observed that that has been one significant factor that has triggered opportunities search and investments in technological innovation and relevant partnerships with Fintechs in order to remain competitive. And indeed, together with other challenges highlighted, it appears that that may shape the way DMCs may be deployed in those organisations in the foreseeable future. It is particularly considered that the distinct triggers and a major surprise that dovetails to the some of the contributions that this study provide lies with the effects of the nation's natural resources – precisely crude oil, and the public sector driven nature of Nigeria's economy on managers' cognition in the Nigerian banking industry. A brief summary below further explicate how these findings add to the previous theorisation.

Natural-resource and government-deposits related cognition

This study argues that the finding discussed in section 10.2.1 and 10.2.2 can be related to Danneels (2011) concept of "resources cognition" and further allows this research to contribute to the knowledge of resource cognition as consisting of two other aspects omitted by the earlier development, namely: country's natural resources and government-funds. According to Danneels (2011:21), resource cognition can be defined as the extent to which managers can understand their resources and the potential uses or fungibility. "Managerial resources cognition helps to explain which path firms do take or do not take". The author observed that ineffective cognition of resources including its brand and customer understanding by the executives at Smith Corona contributed to the demise of the company. Danneels (2011) also called for further studies to explore the cognition of managers about their organisation's important resources. The finding by this study responds to this call.

This study share similar revelation by Danneels (2011) in two ways: (1) as with the case of Smith Corona, managers perception about crude oil inflow as a regular income-stream and government funds/deposits which are always available and used as de facto capital base were not only faulty` but also served as constraint to other opportunities that were ignored. (2) The cases explored by this study widely admitted to having been negatively affected albeit not equating the case of Smith Corona but as the KPH below show. However, aspects captured in this study are novel to past theorisation because both resources were never owned by those organisations' but wrong cognition about them: crude-oil revenue and government deposits constrained the managers from searching and identifying opportunities closest to them. Thus, in the emerging economies context, the extent of deployment of DMC can be significantly dependent on managers' cognition of the country's natural resources, and government-fund.

10.2.4 Key performance Highlights and Impacts of the Environmental Challenges

Fundamentally, DMC as a direct analogy, type or subunit of dynamic capabilities (Adner & Helfat, 2003; Helfat et al, 2007; Teece, 2018) are conceptually linked to evolutionary fitness (Helfat et al, 2007), competitive survival and advantage in environments characterised by rapid changes such as the one investigated by this study (Teece et al, 1997). While scholars have persuasively argued that DC does not necessarily guarantee a competitive advantage (Eisenhardt & Martin, 2000). It also remains un-contradicted except for luck (Winter, 2003), that success consistently enjoyed by an organisation in a complex business environment like Nigerian can be attributed to the firm's managers' dynamic capabilities (Teece, 2017).

Table 10. 2 Cross-Case KPH in the Selected Cases

Table 10.2 Cross-case/comparative Performance Highlights of Selected Cases from 2014 to 2016															
Case study	**Abia (N'billion) T = trillion naira**			**Bayelsa (N'billion) T = trillion naira**			**Cross River (N'billion) T = trillion naira**			**Delta (N'billion) T = trillion naira**			**Ebonyi (N'billion) T = trillion naira**		
Year ended	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016	2014	2015	2016
Gross Earning	**245.4**	**337.4**	**381.3**	**208.4**	**217.1**	**212.4**	**148.6**	**152.5**	**176.3**	**278.5**	**301.9**	**414.2**	**403.4**	**432.5**	**507.9**
PBT	**52.0b**	**75.0b**	**90.3b**	28.1b	7.1b	5.0b	23.9b	7.78	16.3	116.4	120.7	165.1	119.7	125.6	156.7
Customer Deposit	1.454T	1.683T	2.089T	1.493T	1.23T	1.42T	733.7b	700.2b	657.6b	1.618T	1.610T	1.986T	2.537T	2.558T	2.984T
Customer Base	NA	7m	NA	4.4m	5.5m	8.5m	NA	3.5m	NA	NA	NA	9.68m	NA	NA	NA
NP	2.2%	1.7%	2.1%	NA	NA	NA	3.36%	4.15%	3.74%	3.15%	3.21%	3.66%	1.75%	2.18%	3.02%
Total Asset	2.104T	2.591T	3.484T	1.933T	1.750T	2.049T	1.169T	1.159T	1.172T	2.356T	2.524T	3.116T	3.755T	4.007T	4.740T

Key/Indicators:

Green – figures represented with green colour used to show increase/positive result on asset

Amber – figures represented with amber colour used to show recovery from decline on asset

Red – figures represented with red colour used to show the declines from the previous results

Note that figures/numbers on the year 2014 in all cases were all shown in black to reflect a baseline and because KPH in all cases were positive by 2014. The decline in the prices of crude oil as mentioned started during the Q4, thus allowed them to all close the year relatively positive.

Table 10.2 above synthesises the KPH of all five cases explored to show the effects of the environmental challenges in terms of financial assets, related tension and performance outcomes of the organisations through their strategic actions. But this study is also cautious in making "strong assertion about the links between actions and outcome" (Ambrosini & Bowman, 2009). As table 10.2 shows, four of the five cases maintained increases in gross earning between 2014 and 2016; only Bayelsa recorded a decline in her gross earning which dropped from N217.1b to N212.4 billion. The table also shows that only three out the five i.e. Abia, Delta and Ebonyi maintained growth in PBT over the studied period (2014 – 2016). Apart from that, Abia and Ebonyi maintained increasing growth in customer deposit, Delta had a marginal decline in 2015 but swiftly returned to an increasing trend by 2016 above their 2014 and 2015 results. Bayelsa in 2015 also had a decline in customer deposit but began to show an increase in 2016 while Cross-River appears to have maintained a consistent decline. The generally shared perspectives in all five cases were claims of recent actions which led to increases in their customer base. However, the confirmatory figures were not available.

All five cases experienced relative increases in non-performing loans (NPLs). However, when compared against risk-assets created and increases in total asset-base, apart from Cross-River, and Bayelsa (NA), Abia, Delta, and Ebonyi all claim to have one of the lowest NPLs in the industry. From the table, it is notable that while Abia, Delta, and Ebonyi recorded consistent increases in total asset-base, Cross-River and Bayelsa had declines in 2015 but by 2016 both firms recorded increases in total asset-base more than 2014 and 2015 respectively. In all five cases, interestingly, there were claims of having navigated or prospects of navigating through those environmental challenges. Typical comments include that of Abia CEO in annual-report 2016) that *"Despite the challenging economy, 2016 was a year of progress for [Abia]. Many of the strategic choices we made over the years were validated when tested by the economic recession"*. Bayelsa CEO in 2016 annual-report also claimed that: *"Notwithstanding, it is in this phase of our corporate evolution that we are most confident in our medium-term strategy to steer your Bank [Bayelsa] through the turbulence in the operating environment…"* Ebonyi CEO in 2016 PR similarly explained that *"In spite of the macroeconomic, regulatory and market-specific challenges…Driven by our innovative processes, cutting edge technology and committed staff, the group recorded a total revenue of ... which represents a 7.2% increase over the same period last year"* In Delta, it was claimed that *"…the quality of our past decisions enabled us to navigate the challenges that persisted in the business environment"* (Delta CEO in PR, 2016). How? See table 10.3.

Table 10. 3 A Cross-Case Comparison of Perspectives about Strategic Change and DMC

Concepts	Abia	Bayelsa	Cross-River	Delta	Ebonyi
Vision	To become Africa's most respected bank via service, asset growth & sustainability Sustainability business culture central to vision – with triple bottom line as key imperative Mainstreamed into operation	To become Nigeria's fastest-growing retail bank To distinguish itself as a retail franchise of choice *"…it was the idea of the board …let us categorise ourselves as a retail bank rather than international…"* (DSM1)	"To be the financial service group of African origin" (website) A leading retail presence as central to the stated vision	"To create an African institution that can compete anywhere in the world in terms of good corporate governance, innovation and superior service" (Delta PR, 2017) Identified Africa market as untapped/an inspiration	"To become the leading Nigerian, technology-driven, global financial institution that provides a distinctive range of financial service" (website)
Attention on Business Model Innovation	Identified retail and value-chain banking as growth opportunity and diversity Building a more diversified banking model with more focus on retail/ SMEs/VCM Continuing to strengthen corporate banking whilst develop the retail model	Focusing on retail banking model both as bank's niche opportunity for competitive survival, sustainable business and brand interest Attention purely on MSMEs and unbanked/under-banked, financial inclusion, agency banking, and technology. Less interest in corporate banking	Building a solid business model around retail and transaction banking: value-chain/SMEs focus Salary customers/people at the bottom of the pyramid Financial inclusion and agency banking de-emphasis on corporate	Adapting business model to changing market variables Now diversifying with a focus on retail/SMEs and value-chain strategy Corporate banking to remain as core interest	Increasing market share via innovative business model – retail/value chain 'Cautiously came down the ladder' Success largely a product of client-base – having largest number of MNCs; Corporate to remain core
Optimising/building a stronger financial base	Capital raising initiative led to $400m Euro-bond; N41.7b via rights issuing in 2015 Focus on new customers acquisition contributed 36% deposit by 2016 Unlocking new revenue streams via retail/SMEs	Focusing on building a healthier / diversified balance sheet Raised N50.4b via rights issuing by 2014 $147m FDI New customers acquisition led to 15% deposit growth to N1.42T by end of 2016 Retail led-strategy deposits	N26.5 billion injected to balance sheet in 2016 via dollars saving culture over the past decade Growing revenue by accelerating customer acquisition and market share in retail banking Looking for other banking income (OBI)	Looking at other streams of income Focused on getting 23 million customers in the next 4/5 years	Focused on gaining derivative income via support to SMEs and financial inclusion

Stronger Risk Management culture	Has a disciplined/proactive approach in lending and risk selection Enhancing risk management via tempered risk appetite in some sectors e.g. oil & gas -Risk management integrated in every operation Proactive risk management helped in avoiding exposures	Adopting cautious lending and acceptable risk Averse to sectors largely dependent on FX Diversified banking model to reduce risk of NPLs Investing more on risk management infrastructure	Focusing on low-risk customer segment: SMEs and retail/individuals Intensified recovery of NPLs Less lending to some sectors e.g. oil & gas and less capital intensive business more generally	Developed stronger risk framework for disciplined and prudent approach to loans growth: Does not lend to people highly exposed to FX Diversifying portfolios Insists on strictly on cash-back dollar facility On-site investigation	Has "a robust system that has been proven to be solid" [ESM1]. Always peep into the future via stress testing & contingency funding plan Refuse credit line to some sectors; restructured loans proactively; Not allowing a post-mortem approach but proactive via seeking information and timely analysis of industry/trend
Implementing Cost Control	Eliminating non-value adding processes Automated processes Creating more pool of lower staff while reduce highly paid senior staff Mobilising cheap deposits	Focus on cost containment: low-cost/cheap deposits accounted for 86% of 2016 customers' deposit; -digital/online banking Automation processes e.g. 15% target paperless Cut staff size from 4568 in 2014 to 4245 by 2015	Initiated a measured cost optimisation approach: Low/no interest deposits via individuals and SMEs Automated processes: ATMs and online banking Reduced low productive resources	Enhancing cost-efficiency Promoting self-service and automation processes Customers' on-boarding on digital platforms as quickly as possible Maintaining a sizable workforce	Cost control initiatives embarked upon helped to achieved 8% reduction in cost to income by 2016 Continuing focus on cost control via automation, waste elimination; cheap deposits via retail and financial inclusion
Creating enabling governance structure and organisational culture	Created business banking division to focus on exploring opportunities within banks' corporate value-chain "Culture of diversity and collaboration of ideas" (CLS, 2016) Environment that respects the contribution of employees	Remodelled operating structure to allow for more responsiveness by reducing control hierarchy Created new divisions/roles e.g. retail banking; financial inclusion division, Implementing typically flat organisational structure to allow for a supportive business environment	Restructured around business and operations and new heads appointed Created new divisions including retail banking and electronic banking Decentralised operation and authority for quicker decision-making	Ensuring the organisation is run the way it should Promotes professionalism learning environment Created Innovation & Fintech Division and realigned structure Organisation's culture and a flat structure as key	A culture of always being the best – does not settle for less Using a flat structure to encourage freedom of fear and self-expression

Innovative products customer-centric service culture	Striving for leadership in customer service/products Culture of excellent customer service used as key differentiator to other competitors; Launched “Basement” in 2015 to leverage ideas from staff across groups	Providing innovative/new products and banking solutions with targets on informal sector/SMEs Bespoke offerings Focusing more on superior customer service/experience Deeper customer relations	Developed new products around the agrarian market Focusing on products that would suit retail/SMEs Pioneered instant account opening Improving customers’ experience via efficiency	Transformed organisation to be all about creating value for customers Support retail customers with information/social Close relationship with customers, and ensuring they are happy are key goals “beyond banking”	Both vision and success of the bank attributed to “all about innovation and superior customer service”
Investing in cutting-edge innovative technology	Building capacity to innovate via technology and digital banking In 2015, redesigned IT architecture to enhance availability and access Upgraded to FCUBS12	Investments in technology and digital banking e.g. Upgraded core banking platform to FCUBS12 Investing in new ATMs and POSs Developing banking apps	Robust electronic banking platform; 755 ATMs by 2016 up from 245 in 2014 13000 POS terminals by 2016 up from 6300 in 2014	Investing in digital-tech infrastructure/upgrade e.g. USSD banking platform; intelligent ATMs; moving away from “bricks and mortar” banking – believes that future banking will be tech-driven/won digitally Social media presence	Investing in cutting-edge technology Business systems and application upgraded to a higher version helping with risk management and efficient services delivery
Human Capacity Building Quality workforce and Learning	Employed and trained new commission-based staff to implement retail and VCM A focus on fresh, young and energetic staff – train them to become fit for purpose Reallocated human resources to align with enhanced technology to enable better customer service Realigned training, reward, and recognition to strategic imperative of Abia	Transforming employee philosophy to align with retail/VCM strategy initiated in 2015; Recruited people from non-banking background and integrated them with existing staff to help with creating innovative services Empowers employees via training and re-training; mentoring identified talents towards leadership roles Redesigned reward structure Staff reduced to cut cost	Promoting diversity and staff motivation e.g. women 39% of executive management; 78% of vacancies filled internally Investing in training and continuous learning programmes including bringing in expatriates to teach/train employees on global best-practices or sending staff overseas	“Our most important resources are human resources”. Hires/retain the best; provides robust entry programme and training A conscious effort to grow own people /talents by employ fresh graduates and embed them with Delta’s core values Promotes self-learning; strong focus on succession planning and motivation	Quality workforce as a key priority and critical aspect of the bank’s strategy. Recruitment/selection are strategic – minimum of first degree Employees meant to believe they are the best and cannot settle for less Have a high sense of value Always ensuring that the workforce is motivated

Strategic Partnership and Collaboration	Established partnerships with commission agents to drive retail; collaborating with Telcos and Fintechs to provide digital banking solutions and develop new products; engaging staff to bring on innovative ideas via "Basement" ideas lab	Using mobile networks and commissioned agents for wider/quicker customers reach and efficient service Partnering with Fintech to create new products/service Collaboration with staff and customers for innovative ideas	On-going collaboration with Interswitch and IBM Nigeria Telcos used to support Apps and online banking Agents used for retail transactions	Actively seeking and partnering with Fintechs and Telcos; downstream retailers e.g. .service station and retail agents Seeking deeper relations with customer to aid co-creation via feedback	Collaborating with Fintechs to co-create and deliver SME banking
International expansion and diversification	Having a strong continental presence in six African counties, and the UK in Europe. "Hopes to add one or two more locations but Nigeria represents greatest opportunity in the continent" (CEO)	First to establish international banking operations in West-Africa countries including Ivory Coast, Republic of Benin, Senegal, and Togo Established UK branch operation in 2013	Licensed deposit-taking banking operation in the UK UK operation broke-even within its 2nd year Also pursuing a variation of permission to become a retail-deposit taker Locally diversified into pension funds administration Established microfinance subsidiary to drive retail	Having Africa inspiration and no more a Nigerian bank; Expanded banking operations recently to Kenya, Uganda, and Rwanda in 2015 International operation in ten African countries and one country in Europe – the UK	Established new international branch operation in Dubai in 2016 International branch operations in four other countries including UK,

10.3 Cultural Innovations, Capacity Building, and Attention Diversity

As the above table shows, significant evidence emerged to show that in all five cases investigated, activities reflecting the description of cultural innovation, capacity building, and DMC which are largely enabled by attention diversity of managers were being implemented not only as a direct response to the environmental challenges but as needful actions for maintaining competitive survival and distinction. Table 10.3 provides representative cross-case evidence of DMC while figure 13 at the end of the chapter draws them together by showing the pattern of coding to arrive at categories/themes. The analysis of findings is next.

10.3.1 Attention to business model modification and innovation

As evident in table 10.3 above, in all five cases, innovation around the organisations' business model became crucial in the face of the recent environmental challenges. Teece (2018) defines a business model as the architecture of how an organisation creates and delivers value to its customers and the mechanisms used to gain its share of that value. In all five cases, this study found that the utility of attention redistribution or diversity to support strategic change in terms of business model change/retune. The following comments highlight this:

"What we did was that we did was that we began to position ourselves to be the best in terms of retail business because there is a lot of volatility in the economy with respect to the oil and gas sector, with respect to power, with respect to corporate banking" (Bayelsa-SM7).

"*…It was the idea of the board …let us now categorise ourselves as retail banker rather than international bank"* (Bayelsa-SM1)

"A major objective of the bank is to create a low-risk business model in the next few years" (Cross-River CEO/CLS).

"We knew it would be a challenging year (2016) and we prepared for it by focusing on …adapting our business model to the changing variables" (Delta CEO/CLS).

"Our retail represents a major growth opportunity for us as it will allow us to consolidate and ***diversify t****he returns of the existing business through our value chain" [Abia-CLS]*

"*From a banking perspective, we mirror the economy. When the economy is under pressure, it resonates in the financial system. We are committed to looking at innovative ways to gain even more market share* (Ebonyi-CEO in an interview with TBY, 2016).

The above comments were generally in admittance that the banks had greater interests in commercial, corporate banking models and public-sector banking; the latter mainly targeted government deposits. However, due to the recent liquidity problems, attention shifts became necessary in all five cases explored. The attention shift involves adapting or modifying their business models by implementing retail banking, value-chain management, and agency banking strategies as mechanisms to continue to create value, gain market share or to survive.

As the managers explained, the retail banking strategy involves focusing on banking more individuals and mass-market segments. Value chain management or banking strategy involves effort towards targeting/banking SMEs e.g. distributors/sub-distributors, contractors and subcontractors of larger corporates and multinationals. The agency banking involves using agents across cities, towns, and villages in Nigeria to enhance distribution, and access to products and services by customers. This does not mean that the banks never had customers in the stated segments before now but as they admitted, each have had less attention to them as income and business from the commercial, corporate banking, and public sector banking segments were not only huge but easier, irresistible and much more profitable. In other words, attention to that area became a matter of survival. The following comment reinforces this:

"We have always tried to drive retail but we have not focused on it this much because there were always funds from government and all those big companies. But now that those funds are depleting, the business must go on and that is when you go back and you now sit and re-strategize – and you now think okay, where can we substitute these funds that are going from us? And retail is a gold mine if you can tap into it because we have something to our advantage – we have a lot of population" (Abia-SM1).

Therefore, in addition to addressing the liquidity challenge they faced. Further reasons shared for implementing/adopting new business models or shifts in strategic focus include, (1) to leverage on the perceived opportunity presented by the Nigerian burgeoning and youthful population. (2) To have diversified, healthier, sustainable financial-base and income structures, (3) based on their perceptions and beliefs that the retail-banking model holds a better future for the banking business given the changing lifestyles of customers, competition dynamics and technology advancements.

Nonetheless, much as the decision to change, adapt, modify or implement the retail business model was common across the five cases, findings also show differences in the approaches adopted. Table 10.3a below is used to capture the observed approaches or pattern of attention to modifying and implementing some new business models across the cases investigated.

Table 10.3a	Cross-Case Attention on Business Model Innovation				
Attention approach	Abia	Bayelsa	Cross-River	Delta	Ebonyi
Fully-focused		X			
More-focused	X		X	X	X
No Focus					

X = Approach applied

As table10.3a shows, in the case of Bayelsa, the managers evolved their banking model aiming to depict the organisation more clearly as a *"leading retail bank of choice"* (Bayelsa-CEO) or differently put, "*position ourselves to be the best in terms of retail business"* (Bayelsa-SM7). With that as their desired identity and strategic vision, a strong commitment is being given to entrenching the same philosophy/culture among employees across all levels in the organisation. Similarly, Cross-River modified its business model to accentuate the retail banking model as against their traditional/core interest in investment banking and commercial banking but not particularly as an identity preferred. A full subsidiary was established in 2015 to focus on the segment described by one of the senior managers as "bottom of the pyramid" and so it is fair to consider that as being more-focused on retail just as Cross-River-SM3 explained. However, for Delta Abia, and Ebonyi, the approach entails seeing and implementing the retail banking as a needful balance and diversity as the opportunity presented by that segment given the uncertain situation cannot be wished away but would maintain their interest in corporate and commercial banking as core, – if not sacrosanct. As confirmed in the following comments:

"Before now we don't use to be a retail banking fit like that because of the administration issue I mentioned earlier. ...But of late, we just believed that okay there is a need for us to cautiously come down the ladder. Mark my word 'cautiously' come down the ladder, strategically come down the ladder so that at least we can also meet our customers' needs at that segment of the market. So we have our own strategy and it is working for us" (Ebonyi-SM1).

"From inception, we were more focused on commercial and corporate, we are more middle-market, upper to the high-end of the market, but the truth is about is that there is a point at which you would stagnate in our environment if you don't play in the retail space. So, that

why …there is a deliberate focus to look at retail and build a solid retail business …but we are not losing sight of our core high earning commercial/corporate banking because obviously, in terms of profitability, it is a lot more profitable" (Delta-SM3).

These findings are consistent with the argument by authors discussing the critical role dynamic managerial cognition, perception and attention pattern (Helfat & Peteraf, 2015; Ocasio, 1997) and competences for opportunities search and selection or decision-making differentials as key (Eggers & Kaplan, 2009; Helfat et al 2007). However, in addition to the previous constructs, insight derived from the data suggests that the idea of what is referred here, as "attention diversity" may be contributory to the differentials in the key performance highlights in table 10.1. This attention balancing idea became more enlightening by taking into critical consideration the comment by Bayelsa-SM2 (having just retired) and relying on his experience in Bayelsa retorted that:

"…many banks focused their energy on mobilising deposits from the public sector and in a number of cases to the complete disregard to the real sectors of the economy. Then, you have banks who bothered to diversify – those that make conscious and deliberate effort to scan the real sectors of the economy. …you see a lot of international trade, in some areas they do business in solid minerals, mining and agricultural sectors, but many, the focus was largely on …pursuing deposits from the government; what I call "hot money" because it involves risks; focus on invoice discounting in the oil and gas sector because that's where they could quickly get their money in and out very quickly". Bayelsa-SM2 went on to suggest that *"if you want to run a resilient financial institution given the different ups and down you should have a balance sheet that is not dependent on only one sector of the economy. In believing on that strategy, therefore, your bank should have a portfolio that is balanced across all sectors, from the real sector services, construction, agriculture, mining and so on"*

This study shows that attention diversity underpins the DMC related to innovative business models enabling the organisations to survive and prosper in the environment. Notwithstanding the differentials in the approach adopted, through implementing the honed business models, all five firms have continued to survive the environmental headwinds whilst seeking to stay stronger and more competitive both in Nigeria and in other markets. This also can be relayed back to the idea of ineffective "natural resource cognition" uncovered by the researcher (see, section 10.2) by noting that lack of attention diversity contributed to some negative performance as KPH in section 10.1 show but latter contributed to the organisations' positive performance and competitive survival when attention diversity was deployed.

10.3.2 Optimising and building stronger financial capital base

Findings show that DMC in all five cases investigated involving search and selecting (Helfat et al, 2007) alternative ways for expanding/optimising the organisations' financial resources base. The purpose includes building and maintaining liquidity and the need to have a stronger and diversified financial capital-base and sustainable income structure. Table 10.3b below summaries cross-case approaches have been using to optimise their financial/capital base.

Table 10.3b Cross-Case approaches to optimising financial capital base

Approaches/themes observed	Abia	Bayelsa	Cross-River	Delta	Ebonyi
Rights issuing, bonds/equity investment	X	X	NO	NO	NO
Foreign currency saving	X	NO	NO	X	NO
Savings/retained earnings	X	X	X	X	X
Financial inclusion/retail customers acquisition: individuals/MSMEs deposit	X	X	X	X	X

X= Observed; NO = Not Observed

As financial institutions, it is common knowledge that banks often need to have robust financial muscle in order to fund big-ticket projects and to be successful in their financial intermediary role in the economy. In that sense, optimising financial capital base should be a routine. However, evidence shows that different efforts to enhance the dwindling and in some cases depleted customers' deposits and income was based on the recent experience and the need to now build stronger and robust financial base and structure to forestall similar experience in the future. For instance, Bayelsa and Abia both quickly increased their financial capital and liquidity through equity investments and rights issuing in 2014/2015. Abia raised \$300m and N35 billion via equity investment while Bayelsa raised N50 billion via a rights issue and a further \$147 million through foreign equity investment. Analysis in chapter six (Abia) and chapter 7 (Bayelsa) also supported this with detailed evidence.

Cross-River did not report about any equity investment but also moved quickly to enhance its liquidity position through injection of about N26.5 billion revaluation surplus gained due the bank's dollar reserve saved over the years and prior to the devaluation of naira as the Nigeria economy struggled, into their capital base. As evident in the following comment by the CEO:

"…the net revenue position of our Bank increased 33% from N84.9 billion in 2015 to N112.6 billion in 2016, though significantly driven by revaluation surplus of about N26.5 billion.

Over the last decade, the Bank has built a robust dollar balance sheet and retained earnings which are shielding our capital from the effects of naira devaluation. Specifically, 57% of our capital is in foreign currency", (Cross-River-CLS, 2016 Annual report).

This means that the management's decision in the past to 'build a robust dollar savings' became not just a key source of income windfall but a rescue for the bank considering their financial performance in 2015 especially. By now, it is already a common view that luck is not a dynamic capability (Winter, 2003; Teece, 2012). As indicated in table 10.3b above, it is implied or can be considered normal to have retained earnings as part of the bank's financial capital base. However, the aspect depicting DMC is about the foresight and attention diversity of the management to implement strategic dollars savings culture over the years and with that was shielded from the consequences of the weakened/devalued naira as explained.

Beyond any quick fix and any lucky windfall, across all five cases, it was evident that what was critical choice generally and most management's medium to longer terms response for their respective banks is to have a diverse, sustainable income structure and capital base. A common pattern across all cases includes: growing stronger customer base through customers' acquisition processes involving mopping up deposits from the unbanked people (often ignored), the under-banked customers (i.e. inadequately supported ones) MSMEs especially. Financial inclusion albeit a CBN initiative is one concept widely used in the dataset in all five cases to capture both the banks' attention to bringing in those clusters of smaller businesses and individuals into their book. Then, engaging with those customers and creatively support their enterprise needs and concerns and to portray a win-win for all stakeholders. These responses all reflect financial capital building involving attention diversity of the management in consciously searching for other sources of income.

In the case of Ebonyi for instance, consistently identified as among the top two largest Nigerian banks, they would not have anything to do with low-income people; people who do not have or meet certain income threshold – often people in the retail segment. However, due to the liquidity problem/threat, they decided to mop-up income from those often neglected sources as an alternative for maintaining a healthier capital-base. As one of the managers explained:

"…we now said lets quickly start to look for alternative – and what is the alternative? Let's get everybody into our book, let's get the retail-end of the market into our book so that all those small-small drops will still keep our ocean full. And that was the first thing we started

doing two years before the issue of the TSA now came in. …Before, I mean some 10 to 15 years ago, for instance, my organisation will not open a savings account with you if you do not have one million naira as the initial deposit. But as of today, as I am talking to you, you can open an account with zero balance and fund it later. …we believe that one-one thousand from everybody is better than one million from only 30 people; that's part of the strategies that we introduced" (Ebonyi-MM3).

Similar to the case of Ebonyi, in Abia, Bayelsa, and Delta, the managers explained as follows:

"…what we are trying to do is instead of getting a big deposit from customer X, customer X is one person – he is giving me 1 billion, why can't I go and meet one hundred people that will give me the total sum of that 1 billion – because those 100 people cannot remove their money at the same time" (Abia-SM2).

"…we saw several emerging businesses there that are doing very well – that if we focus our attention on these emerging businesses, we will do better; we will earn more income coupled with the fact that they are many in number" (Bayelsa-SM5).

"…we now realised that statistics in Nigeria show that financial inclusion is still very low. There is still a large green place to cover in terms of getting Nigerians to have bank accounts; …so as a strategy, the bank decided to go into the mass market" (Cross-River-SM1).

"…now we are diversifying. We are looking at other streams of income. We've changed how we manage our IOCs…instead of focusing on these major means; we are now looking at banking the entire value-chain" (Delta-MM2).

In all cases thus, it was significantly evident that attention diversity by managers is enabling the organisations to create new quality risk assets whilst also providing low-risk lending to the MSMEs in the aftermath of challenges the banks encountered. In all cases, being proactive or not tend to have made a difference and was also attributed to the KPH in table 10.1. This study shows therefore that in addition to managerial beliefs and attention renewal (Eggers & Kaplan, 2009), attention diversity is an important variable for understanding cognition and DMC. The examples provided by this in relation to the importance of creating diverse customer-base and income structure as related to different strategic choices of the management in the past and later when the liquidity problem threatened organisations' competitive survival and profitability helps to explain this. Implicit in the choices was also the key role of learning in terms of recent experience.

10.3.3 Stronger risk management culture and Effective balance sheet management

Across the five cases, findings show that the top management teams all responded to the environmental headwinds with more tightened risk management and effective balance sheet management. Table 10.3c below summarised key observations across cases as follows:

Table10.3c **Cross-case risk management culture/Balance-sheet management**

Concepts/themes	Abia	Bayelsa	Cross-River	Delta	Ebonyi
Stress testing	NO	NO	NO	NO	X/P
Cautious/rigorous approach to lending	XP	X	X	XP	X/P
Averse to some sectors of the economy	X	X	X	X	X/P
Review/Tempered risk appetite	XP	X	X	XP	XP
Portfolio divestment/restructure/recall	NO	X	X	X	NO
Sharpened risk-management	XP	X	X	XP	X/P
Diversified business model	X	X	X	X	X
Effective balance-sheet management	XP	X	X	XP	XP

XP = Observed/Proactive; X = Observed/Reactive; NO = Not observed

As shown in the above table, key aspects observed include (1) stress testing, (2) implementing a more cautious or rigorous approach to lending, and (3) being risk-averse to certain sectors of the economy. It also includes (4) frugal reviewing their bank's risk appetite, (5) divestment, recall or recovery, and restructuring of risk assets (6) sharpened risk management, and (7) having to implement a diversified business model as earlier explained. Each of these approaches observed and the pattern they were represented in the data also indicate being proactive, reactive or not observed. These measures are based on the researcher's assessment of narratives provided in the dataset and believably underpinned by metrics in KPH captured in table 10.2.

In particular, the above shows that Ebonyi appears to be the most proactive in their approach and the only case that discussed about stress-testing. Abia and Delta also seem to be proactive to some extent in the areas indicated. However, both Bayelsa and Cross-River appear mostly reactive with the latter particularly admissive about this as confirmed in the CLS in 2015 (see within-case analysis). In all cases, findings show that banks commonly became particularly averse to lending to businesses/customers operating in sectors largely dependent FOREX and importation, e.g. oil and gas sector, transport, and construction. 'Divestment of portfolio' was a term used in the case of Delta bank as they had to unwind their interest in supporting indigenous oil companies (IOCs) while also implementing a more rigorous approach lending to sectors considered as low risk e.g. agriculture, and MSMEs.

As hinted already, in Cross-River, the management talked about having to tighten (sharpen) their "credit risk underwriting standard" following the big "hurt" they suffered given their NPL in 2015 especially to hedge against future occurrence. Similarly, in Bayelsa, the term 'cautious lending approach' was used to express a change in its risk management framework while in Abia it was claimed they are implementing a disciplined approach to risk selection.

With the cost of funds/borrowing, operation and inflation all taking upwards trajectory, in all five cases, it was observed that effective management of balance sheet was adopted as short to medium-term strategy. The term "effective balance sheet management" (Delta, Abia, and Ebonyi) emerged in the data in describing some sort of prudential and holistic rethink and forward-looking effort towards setting key performance indicators against the operating environment risks and uncertainties by the management. A good example was in the case of Ebonyi. One senior manager described their decision to conduct a stress-test against public sector deposits in their book. The organisation based on this became well prepared even before the federal government announced the TSA. The following comment confirms this:

"…It is actually one of the scenarios that we actually tested before it happened; we had envisaged it that let's say, one-day government comes and say okay all the public sector fund in our book, we should move it. So, when they came up with that concept, it was seamless because we have actually projected that ahead. …You know in risk management, you try to peep into the future; it is not a post-mortem approach, you are supposed to be proactive... So when we came up with the concept that okay we are going to test it, some people felt you are crazy, it is not possible, in this kind of environment. Do you want to snuff-out the banks? But when it came (the TSA policy), they said you guys are too much. So, we have a robust system that has been proven to be solid" [ESM1].

Therefore, while different and to some extent proactive and/or reactive to show some form of attention diversity in relation to risk management processes as highlighted. What emerged from the analysis was also a connection between different learning behaviours e.g. deliberate search for knowledge (via stress test in Ebonyi's case) and experiential learning (in all five cases) (Zollo & Winter, 2002) even in other actions/reactions expressed hitherto. More insights on how learning behaviours and attention diversity together underpin DMCs in terms of decisions-making (search and selection) across all five cases are consistently highlighted all through the chapter.

10.3.4 Cost control initiatives

In this regard, one of the most densely emphasised aspects was about operating cost reduction. All five banks differently and interchangeably used terms including 'cost-efficiency', 'cost containment', 'cost curtailment', 'cost discipline' and cost control initiatives to express about different initiatives to driving down the cost of business operations. However, from a critical analysis of key approaches across all five cases, it seems that in some cases e.g. Delta and Ebonyi appear to be more cost-conscious rather than cost-driven. Table 10.3e below also summarises some approaches observed in all five cases.

Table 10.3e	Cost control Initiatives across all cases				
Concepts	Abia	Bayelsa	Cross-River	Delta	Ebonyi
Focusing on low-cost/cheap deposits	X	X	X	X	X
Automation/digital processes	X	X	X	X	X
Creating a pool of lower-carder staff	X	X	X	NO	NO
Cutting staff size	X	X	X	Yes	NO
Closing branch network	NO	NO	NO	NO	NO

X = Observed; NO = Not Observed

Operating cost reduction in both Abia, Cross-River and Bayelsa involved creating a pool of lower cadre staff and then reducing senior-level employees whose remunerations are high. This suggests that they have been driven particularly by pressure to take a significant cut on their staff. In Delta, the management admitted about having to cut the workforce and talked about maintaining a sizable workforce.

It was particularly noted that in the case of Ebonyi, while other approaches to reduce costs were employed, they maintained their staff and did not have to sack or replace them with lowly-paid staff. As one of the senior managers explained *"we do not micro-manage. ...where others are trying to go for a lower carder staff, we try as much as possible to bring the best, regardless of the job function because we believe that their entire success on quality customer service, and we believe these are the people that can do that kind of service"* Ebonyi-SM1). This implies that the staff aspect is so important to the organisation such that they could not afford considering it as the avenue to include in the cost-cutting initiative, unlike the other four cases.

Apart from that, in all cases, the management is consciously placing emphasis on automated ways of trying to serve especially the retail and SMEs customers. With online banking and automated processes, many are kept away from the banking hall, thus requiring less space, staff and man-hour time to attend to them. Internal operational processes are being digitalised to ensure efficiency e.g. targets towards paperless processes, digital approval processes and workflow monitoring (Delta-DSM4), and online staff training. In all five cases, it was admissive that each now opt for agency banking strategies rather than having to increase their local branch network.

As earlier explained, across all five banks, a key strategic initiative is to drive retail and with that, mop-up cheap deposits from that segment of the economy as against high/rising cost of borrowing, bonds, and treasury bills as the country's economy plummeted. In all cases it was noted that these initiatives proved beneficial as all the CEOs differently reported year-on-year reduction in operating cost by 2016, implying saved expenses, and on the other hand, increasing in revenue through cheap deposits from retail especially. In sum, perspectives by the managers imply that attention to seeking diverse ways to consciously, reduce operational cost allows them more funds to create quality assets and consequently enhance their profits.

10.3.5 Enabling Governance structure and Culture

The importance of attention diversity was also reflective in the commitment to creating enabling governance structure and organisational culture in all five cases. In this regard, attention pattern and actions involving (a) creating new regions/divisions (b) functional reorganising, re-modelling or restructuring (c) implementing flatter structure (d) promoting teamwork, employee empowerment, and collegiate system are some of the most densely represented evidence of DMC and assets orchestration concepts uncovered across the five cases. Some similarities/differentials from observation are summarised in table 10.3f below.

Table10.3f **Cross-case analysis of enabling structure and organisational culture**

Themes/concepts	Abia	Bayelsa	Cross-River	Delta	Ebonyi
Created new regions	NO	Yes	Yes	NO	NO
Functional reorganising, re-modelling or restructuring or created new divisions	Yes	Yes	Yes	Yes	Yes
Implementing a flatter structure	Yes	Yes	Yes	Yes	Yes
Promoting teamwork, employee empowerment, and collegiate system	Yes	Yes	Yes	Yes	Yes

Yes = Observed; NO = Not observed

Findings show that only Cross-River and Bayelsa restructured their operations in terms of regional control within Nigeria. For Cross-River, one of the interviewees explained that he was hired from a well-known bank in South Africa mainly to help with the organisation's restructuring project in line with the bank's decision to now drive/operate more as a retail bank. The following comment bears this out:

"The second thing that we did was that we restructured. We restructured around the business and our operations. And what do I mean? We had to go into geographical restructure ...so that at the region, they have the authority and power to manage quite a number of retail endeavour instead of everybody coming to the centre at the same time, which will be overwhelming. ..I joined in the first quarter of ...so I was actually brought to do the regional operating structure of the bank…because we couldn't manage that number of branches from the centre anymore" (Cross-River SM3).

Similarly, in Bayelsa, one of the interviewees also talked about his role as the Head of (*...department withheld*) … (*region name withheld*) as one of the new portfolios created to underline the strategic focus of the organisation towards carving a niche for itself as a leading retail bank. As evident in the following comment:

"…we have one in Lagos, and west, we have one in the southeast – where you (Researcher) comes from, and the one in northern Nigeria. We began to position ourselves…we want to be number one retail bank in the country and that's how my own role now came in that I am now in charge of..." (Bayelsa –SM7). This is further confirmed the CEO's comment:

Bayelsa-CLS (2015) *also wrote, "...we restructured our Retail Directorate, creating five distinct divisions that are manned by senior specialist".*

Across all five cases, the re-organisation was considered important in order to facilitate/ensure synergy with the banks' evolving strategies and business models. It is expected that managers through that could have closer supervision of business units/areas and at the same time connect/engage/relate more with the customers within functional or geographical their remit. In Delta, for instance, one of the interviewees (DSM1) explained his new role as head of one of the new divisions established mainly to focus on developing partnerships with Fintechs firms to create innovative business solutions. The following comments contained in the CLS are evidential:

"...mindful of the inherent competitive advantages that we possess in the digital world and

we have created new divisions and aligned our structure to ensure that we are positioned to take advantage of the opportunities birthed by the digital revolution" (Delta-CLS, 2016).

In all five cases, observation entails that implementation of flatter structure was enabling their organisation to be more responsive as against hierarchical pattern implemented in each case in the past. While in Delta bank, it was claimed that it was an already known culture of the bank not because of the change in the business environment, in the case of Bayelsa, Abia, Ebonyi, and Cross-River, findings show that the initiative was being incorporated as a new realignment process and cultural shift. The following comments sum the perspectives shared across all cases:

"…we run a very fluid structure that tries to encourage a lot of engagement and that kind of relationships such that one, there are no barriers, there is no fear – we try to relate, communicate easily and then try to make sure business decisions are taken faster and all that" [Bayelsa-SM6].

"We go by flat structure, let me put it that way, and so is believed to be made equal such that you can express yourself; you are not afraid of one big Oga provided that what you have upstairs they know is not (you know)" [Ebonyi-MM3]

"We remodelled our operating structure to be more responsive to specific needs of our expanding and well-diversified customer base, signifying the commencement of the next phase of our medium-term growth strategy" (Bayelsa CLS, 2016)

Consistent with the stated benefit of the flat structure as above, findings by this study in all cases also include a commitment to promoting teamwork, employee engagement, empowerment, and collegiate system. Table 10.3g below captures the evidence.

Table10.3g **Cross-case analysis of enabling structure and organisational culture**

Themes/concepts	Abia	Bayelsa	Cross-River	Delta	Ebonyi
Teamwork	X	X	X	X	X
Employee engagement	X	X	X	X	X
Empowerment	X	X	X	X	X
Collegiate system	NO	X	NO	X	NO

X = Observed; NO = Not Observed

Teamwork was emphasised in all cases and encouraged as a way to facilitate mutual problem-solving and learning. Empowerment is used in the dataset to depict allowing managers at different levels to own responsibility and feel a sense of trust to make the right choices given their experience. In all cases, the importance of implementing a collegiate system was considered very important. Managers believe that this system enables not only better understanding but also the tendency to make the best decisions acceptable and in the best interest of all stakeholders. Based on these findings, therefore, one can argue that enabling governance, structure, and organisational culture encouraging teamwork and collegiate decision making are contributing to competitive survival in this study context.

10.3.6 Innovative products and customer-centric service culture

All five cases acknowledged that competitive survival and sustainable success based on the changing need and lifestyle of customers depends on offering innovative products and in the words of one manager interviewed (CRSM1) a "top-notch" service delivery. While many contributions including Eisenhardt & Martin (2000), Danneels (2002) have previously identified new product development as examples of innovation – that relies on the managers' cognitive orientation as well (Narayana et al 2009). However, it emerged from observation from all five cases explored that the products usually offer only little advantage as rival firms are always quick to offer similar products or even improve on theirs with all fighting for the same 'wallet-share' mostly. The following comments are indicative:

"…retail products are the same everywhere, even in the UK, HSBC, it is the same products. The same savings account, the same current account" [AMM3].

"Everybody is doing almost the same thing now. You come up with a product, the next day; another bank is doing exactly what you are doing. …That is why the battleground now is service. …Service is the distinguishing factor now" [BSM6].

To that extent, much as effort is being given to developing/lunching novel products to appeal especially to the retail/MSME segments in line with the new business models adopted. What seems more critical includes; the cultural awareness, knowledge, agility and appropriate attention distribution in creating what actually constitutes value for different customer segments in terms of uniqueness and superior service on an on-going basis. Managers' are focusing on different ways of involving customer engagement and relationship building in order to understand what customers' needs are as they evolve and to consequently enact necessary changes tailored towards personalisation that can best meet or exceed customer's expectations. Personalisation bespoke, tailor-made solutions, superior, top-notch and excellent services with attention to sociocultural context and diversity of customers' segments and needs were all touted as crucial. As with data in table 10.3, the following comments are exemplar:

"...we come up with innovations in a dynamic manner and ways that will ensure good customer service, good transaction dynamics. It is a culture that has been developed over time ...when we talk about speed, we are 100% customer-oriented, we talk about security, values, reliable and being responsible ... a culture of excellence which has been a success factor" (Abia-SM1).

One Delta senior manager recalled the attention diversity and learning process that led to the Delta bank's USSD (product name withheld) flagship financial solution in terms of its creation and service acceptance was exemplar in the comment:

"...we want to be inseparable from our customers, and always seek to maximise our values by deepening our capacity for providing solutions to the diverse needs that arise in all aspects" (Bayelsa-CEO, Annual report, 2016).

"...we started with the internet-enabled fund; then later we realised that the bulk of the Nigerian populace do not carry the internet-enabled funds. They actually carry domi funds (domiciliary funds), your regular normal funds. So, we then have to look for a product that can talk to those regular funds, and that's how the USSD... came by. You don't need internet access ...all you need is to have a phone and you can do your banking. ...A teaming population of the country does not have a smartphone. We had to look for something that can work with normal phones. That's how USSD ... came to be" (DSM4).

This means that the initial attempt to lunch the product was welcomed with little interest given the customer segment targeted and it became necessary to understand from people why the acceptance is low. Therefore, when talking about being customer-centric, and "top-notch" service delivery, it is about engaging with and listening to the customers, learning and finding a creative way to effectively address their needs in terms of quality, speed, security, integrity, reliability, and availability.

10.3.7 Investing in cutting-edge innovative technology

Table 10.3 already shows that across all five cases, managers' are now searching, selecting and making considerable investments in innovative technology infrastructure. This involves building and/or upgrading their organisation's digital capacity for (1) being more responsive in terms of value creation and offering better services to customers. (2) Quicker/wider access/reach to diverse markets, (3) stronger customer engagement and relationships (4) better internal operational processes – time, transparency and targets delivery, (5) better data analytics and management (6) efficiency and cost management and (7) income generation and (8) belief that the future banking operation would be "fought and won in the digital space". Much of the stated rationales for the investments as linkable to each case are captured in table 10.3I.

Table 10.3I Technology Investment Purposes/Use

Concepts	Abia	Bayelsa	Cross-River	Delta	Ebonyi
Being more responsive to value creation	X	X	X	X	X
Quicker/wider access/reach to diverse market	X	X	X	X	X
Stronger customer service/engagement	X	X	X	X	X
Better internal operational processes	X	X	X	X	X
Better data analytics and risk management	X	X	X	X	X
Efficiency and cost management	X	X	X	X	X
Income generation	X	X	X	X	X
Belief in the future of banking to be digital	X	X	X	X	X

X = Observed; NO = Not observed

For instance, this study shows that both Abia and Bayelsa in 2015 upgraded their core banking application to FCUBS 12.0.2 to include enhanced features and functionalities. Ebonyi also changed their core banking application to a higher version (name implied) of which one of the senior managers that pushed for the project explained that they need to proactively guard against cyber-attack and to optimise their risk management framework was the motivation for the investment. Abia also developed "Basement" – a digital ideas generation lab, enabling the management to engage staff creativity to develop new products and business solutions. Delta in addition to upgrading its core banking application as well, developed social media presence with over 4m followers on twitter alone, about 1m on Facebook and in that way engaging and interacting more with customers at the time of this study. A visit to the website of all five cases also show that each now has interactive website dedicated teams who are quick to invite visitors for a chat.

In another example, in all five cases, the management recently invested in ATMs and POSs to add to the number of units they had and mainly with the up-to-date versions. In Delta, for instance, customers can withdraw cash without their cards at their new ATMs through "magic cash” products available to their customers. Using those up-to-date ATMs and POSs, banks are able to keep-off much of its retail customers, SMEs, and even some commercial and corporate banking transactions, from the banking hall. Bayelsa and Abia both invested in CRM in 2016 to provide a robust platform for better interaction and engagement with customers by listening and understanding their needs/complaints and to facilitate data management and analysis thereby become more responsive to the customers. In all cases, it was also evident in data that through technology and digital banking, banks are not only reducing the cost of operation but also generating income through fees and commissions on services provided online. This in turns helps to boost the income/capital base of the firms.

Overall, in all five cases, data show that the investments decision were in alignment with management teams’ and individual manager’s realisation, beliefs and stronger conviction that banking for now and the future would be fought and won on digital space. The reason is that competitive boundaries are rapidly dissolving due to technological advancements. Customers’ needs and lifestyles are all evolving as well and as such, the consideration by managers is that it has become quite critical to reallocate attention away from “Bricks and Mortar” banking to focusing on different ways of leveraging on digital banking and technological advancements.

As the cost of implementing e.g. core banking application upgrade is often non-trivial, findings also show that the ability to convince or to buy-in all stakeholders given the timing, cost and benefit analysis can be crucial. The following comment sums this: *“you know the cost of the implementation of an application is usually huge. But regardless, and considering the nature of our business, we said okay, it is time, we can take this cost at this time. It now became like a concerted effort thing that this thing must work. Management was able to buy-in us, every stakeholder in the bank from the board to the least person”* (ESM1). This meant that the executive management influenced the implementation of the core banking application upgrade first by their own belief and conviction that it is right considering all parameters and circumstances and by convincing other stakeholders including the board – the ultimate approval authority.

10.3.8 Human Capacity Building and Quality workforce

In all five cases, beyond the central role of technology in their banking operations, managers commonly identified human resources as the most important resources enabling their organisation to thrive and remain competitive in the market. Terms including quality human capital, workforce, people, staff or employees were all used to refer to the significant importance of human resources in relation to their skills, experience, and behaviour to the success of the bank. The following comments are exemplar:

"I must say that our greatest assets are our high performing teams, as the continued success of our business will rely on the skills, knowledge, and commitment of our people" (Abia CLS, 2015).

A great deal of what people do is as a result of their background, training, professional experience, exposure, and upbringing. We want our people to confidently, stand toe-to-toe with other professionals in their field anywhere in the world (Abia CEO, interview with TBY).

"Our human resources remain our most important asset. With this in mind, in 2015, we commenced the transformation of our people philosophy process and system with strong alignment in support of our retail strategy… (Bayelsa-CLS 2016)

"We invest greatly in our people, in training, coaching, mentorship…we send our people to go and look at what other banks in the world are doing to innovate and to have better structure for the bank" (Cross-River-SM3).

"Our most important resources are human resources – we hire the best and retain the best. I think that's the most fundamental thing we do" (Delta-SM1).

From people's point of view, there are banks that do not use the quality of staff that we use. …it is also a business strategy for us to say, let's go for the top-notch workforce. In a way, all these dovetail to quality service delivery which would always endear our customers to us" (Ebonyi-SM1)

In all five cases thus, opinions suggest that while technology has become very important in banking operations, as financial institutions, the financial resources remain fundamental. However, the brilliance and knowledge of managers especially to make the right choices and to drive their appropriate execution in the emerging and unstable economies like Nigeria remains critical. This is central to the argument of the DMC (Adner & Helfat, 2003). As the above comments indicate, a quality workforce, hiring or bringing in best talents, training and mentoring, developing relevant partnerships, and continuous learning culture were differently referred to be very important. Table 10.3J captures the human capital development processes.

Table 10.3.3J Human Capacity Building					
Concepts	Abia	Bayelsa	Cross-River	Delta	Ebonyi
Entry-level hiring or bringing in best talents	X	X	X	MX	HX
Robust entry training programme	MX	MX	MX	HX	HX
Training and continuous learning	HX	HX	HX	HX	HX
Transforming employees philosophy	HX	HX	HX	HX	HX
Diversity in recruitment/staff composition	X	X	HX	HX	X
Rewards and motivation of employees	MX	X	MX	HX	HX
Recruit casual staff	X	X	X	NO	NO

X = important; MX = moderately important; HX = highly important; NO = Not observed

In hiring or bringing in the best talents, to some extent, the perspective seems mixed among the selected cases. For instance, in the case of Ebonyi, the management sees entry requirements as so important such that not just that a candidate must be a graduate, the person must hold a minimum of 2:1 honours degree for any consideration at all. Apart from Delta, in the other three cases, managers differently talked about having in the recent past employed non-graduates/casual staff who are paid lower amount to do the job in an attempt to save cost.

In Ebonyi, the use of casual staff is simply non-existent as one of the senior managers firmly stated: “we don’t micro-manage”. In Ebonyi, the entry requirement goes out as strong message to the staff from the start such that when hired eventually, training is seamless, sense of value is buttressed and then it is understood that nothing but the best is expected. In the study, it was observed that this reflects in managers’ self-worth as each interviewee in Ebonyi and Delta especially all tend to conjure. Probed further on why they think they have quality or best workforce as claimed, managers in Ebonyi and Delta similarly responded that it is reflective in how they work and that their “numbers” (another term for results) confirms this.

Apart from entry qualification, they tend to be some differences in talent sourcing approaches in the recent past. For instance, in the case of Ebonyi, and Delta, participants talked about placing premium and priority in building their own as a strategy. In other words, they tend to be interested in filling vacancies internally especially, unless the needed talent could not be identified internally. However, the shared opinion in all cases is that while there is interest in internal recruitment, recently, people from non-traditionally banking background are intentionally being employed in order to both leverage on their non-banking experience and creativity, and novelty, then, train and ingrain into them the values of their organisation. It means that the talents mix supports knowledge transfer/ sharing, creativity and culture evolution where necessary whilst protect aspects that are sacrosanct the organisation.

Apart from having rigorous entry-level training as claimed, based on their modified/adapted business models, in all cases, there has been strong commitment to staff are being trained in order to understand the global best practices and rudiments of retail banking, value chain management in relation to corporate and retail banking and great customer service. Observations also include changes in both the process of training and the contents of the training. Traditionally, training in the banks encompasses local and foreign workshops, seminars and conferences but more recently, online training is being leveraged and encouraged in all cases explored. Notably, this has been cost-efficient in all cases as well.

In Delta, Abia, Cross-River, Ebonyi and Bayelsa, evidence shows commitment to mentoring identified talents among managers and employees, and through succession planning, enable them to gain the necessary skills to attain or assume higher responsibilities. In fact, it was noted that the CEO of Abia, Bayelsa who both assumed office in 2014 emerged through this process. In all, for the training content, a common perspective from all cases was about using their training mentoring programmes to ingrain and reinforce their cultural values onto staff and management at all levels while being open-minded about new ideas that fit their values.

10.3.9. Strategic Partnerships and Collaborations

To continuously deliver innovative products, business solution and quality customer service experience, as earlier mentioned, in all five cases, it was observed that effort is given to nurturing a variety of external partnerships enabling them to develop and leverage on digital technology capabilities and infrastructure, technical expertise and knowledge building for innovative banking processes and solutions delivery. Table 11.3K summarises key areas of external partnerships observed across all five cases explored and the associated rationale.

11.3K Strategic partnerships and collaborations					
Observations	Abia	Bayelsa	Cross-River	Delta	Ebonyi
Partnerships with Fintech/Telcos to create new products	X	X	X	X	X
Partnership with external rating agencies	NO	NO	NO	X	X
Collaboration with consulting firms/technical experts	X	X	X	X	X
Partnerships with commission agents to drive retail	X	X	X	X	X
Deeper relations with customers to aid co-creation	X	X	X	X	X

X = Observed; NO = Not Observed

As evident in table 11.3K, all five cases are collaborating with Fintechs and Telecommunication firms essentially to co-create and provide their customers with innovative products/services e.g. PayWithCapture/MTN (Abia), eSUSU/MTN/Visa

(Bayelsa), Cross-River (Interswitch, IBM; KPMG), #737/MTN/Visa (Delta); Visa/MTN (Ebonyi). In Ebonyi, and Delta managers (ESM1) talked about ties with external rating agencies in order to avail them timely information for risk management and quality decisions making. Bayelsa also referred to other partnerships including; Lagos Business School for consistent upgrade of training modules/materials at the staff training school of the bank. In Cross-River, the management talked about their recent partnership with IBM for technology infrastructure, expertise, and KPMG for training and knowledge building. In order to enhance access and service delivery to customers, all five cases have recently introduced the concept of agency banking, which involves relationships with commissioned agents. An example is Delta as confirmed in the CEO's letter:

"...we partnered with downstream retailers to lunch our ...cash out services; a service initiative that allows our customers to withdraw cash at service stations across Nigeria using our ...platform. ...We are also actively seeking to collaborate with Fintech companies" (Delta-CLS, 2016).

In the case of Cross-River, one of the senior managers similarly explained:

"...operating these strategies required that we collaborate with external partners. For instance, you can't build the entire technology infrastructure, you need a collaborating partner ...we get innovation partner with us. They sit with us and we take technology innovations from them, we build internal capacities as well as we understudy them" (Cross-River-SM3).

Therefore, from the above perspectives, although previous studies already identified the importance of these strategic alliances or partnerships (e.g. Kale & Singh, 2007), based on the observation in the context of this study and as earlier explained, this new idea is all about looking for alternative and diverse approaches to drive their retail and financial inclusion strategies. More importantly, it is about a deliberate effort to become open to knowledge and learning even from non-banking traditions and industries just as industries' boundaries are now getting more blurry. Again, the sample examined by the researcher shows that attention diversity strongly underpins these strategic initiatives.

10.3.10. International expansion and reputation/brand building

In all five cases, findings show that managers are perceptive of opportunities beyond Nigerian borders and through attention diversity establishing and expanding their operations to international space. Table 11.3k below captures international banking operations in terms of the number of countries in which these banks have banking operations, Nigeria exclusive.

Table 10.3k Expansion/International banking operation by the selected cases					
Cases	Abia	Bayelsa	Cross-River	Delta	Ebonyi
Number of countries of banking operations	7	5	1	11	5

As indicated in table 10.3k above, Delta (in 11 countries) at the time of this study has the highest international operation foothold. Abia is next with international operation in seven countries, Bayelsa and Ebonyi operates in five other countries respectively while Cross-River operates in only one other country apart from Nigeria. Although the international expansion projects were not particularly attributed to the recent environmental challenges, even for Cross-River who established their first and only international operation in 2014, these strategic choices seem to be mostly underpinned by the vision, aspiration and attention diversity of the management team. The following comments bear this:

"We have African inspiration, we are no more Nigerian bank; we hope to be everywhere in Africa and so on; ...we have conquered Nigeria – there is nothing for us to prove again in Nigeria…so, really we've moved, we are looking at Africa. We want to be the most profitable bank in Africa in absolute digits" (Delta-SM4).

"A company needs a solid financial background to be the world's most respected African bank. ...It must have strong numbers, a global outlook and a strong presence on the continent" (Abia-CEO interview with TBY).

In all five cases, it was observed that the given reasons for international expansion projects include: 1) wider business opportunity search 2) to promote/build a stronger brand, reputation, and international reputation, and essentially used by the organisations to appeal to local and international clients. In Nigeria, the label "international bank" also resonates with many as a sign of good financial strength and quality of service both in terms of value and in terms of aspiration by the organisation. 3) The purpose also includes learning, knowledge search and desire for implementing international best practices as to become recognised and benchmark as such. Early-movers including Ebonyi, Delta, Bayelsa, and Abia used their international banking operations both to learn from and to demonstrate their capacity for implementing international best practices such that investors, businesses and entrepreneurs with interest in business opportunities in Nigeria found their organisations suitable to engage/deal with. Managers in Ebonyi's case, for instance, boasted about having the largest MNE client-base. Observations also show that while faced challenges in the Nigerian space, all five cases reported positive results from their international subsidiaries to not only enhance the group's income/balance sheet overall but also offering significant contribution to navigating through the environmental headwinds referred.

10.4 The Role of Attention Diversity DMC

Flowing from the above narratives and participants' explanations about how managers and their organisations responded with important strategic changes. And based on the concept of resource cognition in the context discussed in section 10.2 and cross-case analysis of evidence in section 10.3 from all five cases, it was evident that attention diversity helped to facilitate a variety of strategic responses depicting asset orchestration and DMC deployment in the firms explored. Insight from across the two sections leading to this summary shows that managers' cognition in the cases explored hindered DMC but lessons were learned particularly from the experience and effects of the economic downturn and the introduction of TSA. To ensure survival and to forestall such challenges in the future, the analysis above also shows that the managers' cognition (beliefs, perceptions and in particular, attention shifts) were triggered. This essentially facilitated managerial decisions for different and better strategic approaches and firms'-level asset orchestration discussed in the preceding sections.

To put the inferred attention diversity idea into context, the researcher builds on Boydstun, Bevan & Thomas III's (2014) idea of attention diversity in political policy to conceptualise attention diversity in strategy and DMC context. *Thus, the concept of attention diversity can be described as the degree of spread vs. concentration of managers on and across possible opportunities and/or threats in relation to strategic change, competitive survival and success (Author).* Although the concept of attention has been examined in DMC more generally in previous studies, e.g. Cho & Hambrick (2006), Eggers & Kaplan (2009) Laamanen & Wallin (2009), the manifestation in this study suggest that attention in terms of distribution can be critical because it determines what may be considered important and the extent in which managers may try to distribute attention as against concentrating attention across issues of strategic expediency and necessity regarding opportunities and congruent resources.

This study thus takes the concept of attention a step further compared to previous developments. Figure 10.3 below has been used to draw together two broad areas reflecting how managers demonstrated DMC through a variety of asset orchestration activities consistent with Helfat et al (2007) abstraction. Being reactive or proactive has not been particularly measured. However, attention diversity was evidently plausible as the underpinning capability by which managers made congruent decisions that led to some cultural shifts, innovation and capacity building activities as figure 13 shows.

Based on managers' cognitive behaviour as analysed in section 10.2, and their response as captured in section 10.3, suffice to state that managers and their organisation learned some bitter lessons across the cases explored. However, what is also noted and hence emphasised by this study is the managers admittedly honed their mind-set, began to rebalance or diffuse attention by focusing less on crude oil and government income streams to rather spreading attention across alternative sources to build diversified financial resource base and developing new business mix or models, investment in technology and human capacity building and to serve customers. In short, evidently, the manager largely called upon attention diversity to facilitate the actions.

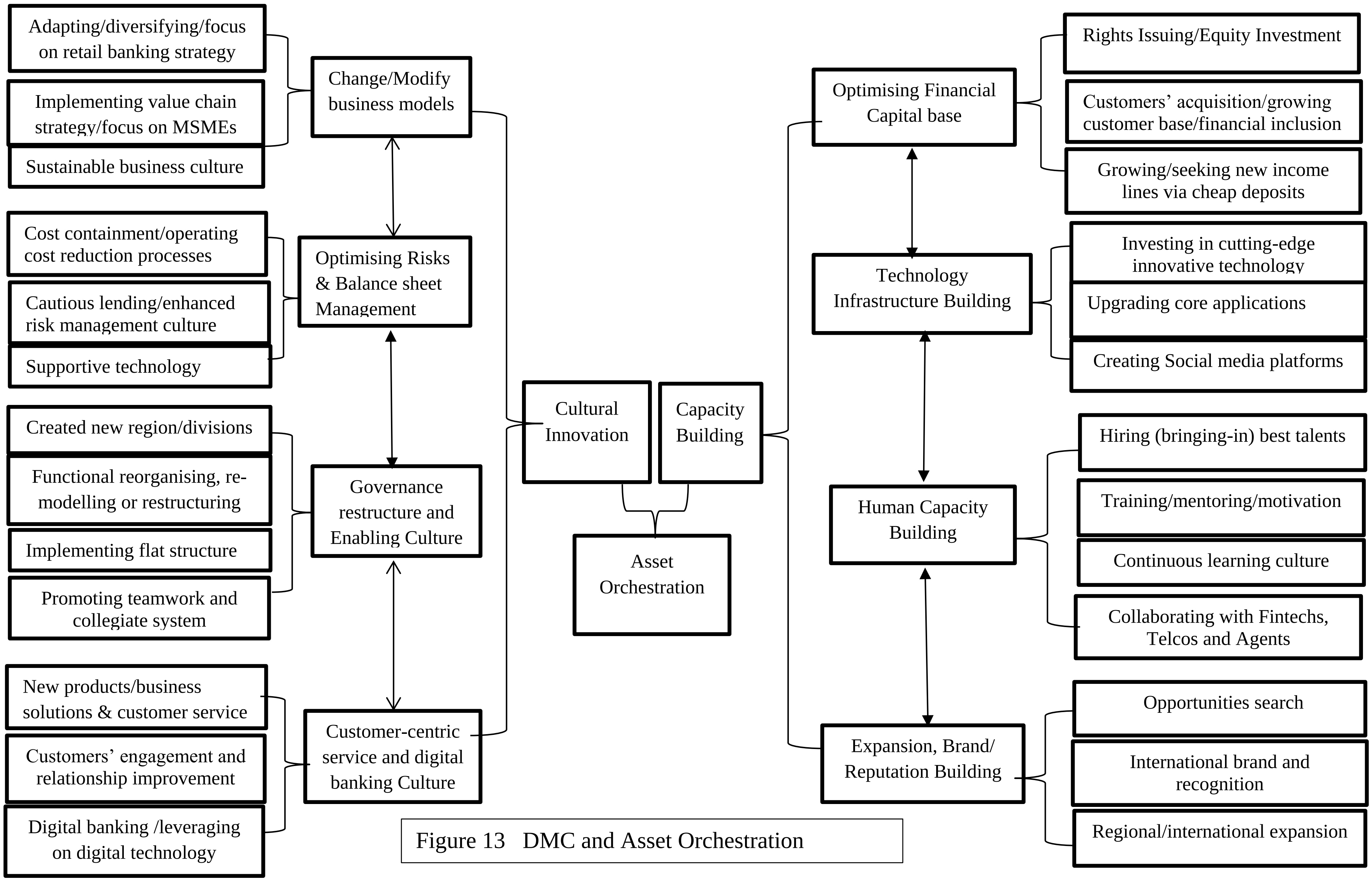


Figure 13 DMC and Asset Orchestration

10.5 How managers balance between routines and better decision making

As noted in the review of literature, that dynamic capability was conceived as having to do with an organisation's position and historic path (Teece et al, 1997). Eisenhardt & Martin (2000) accentuated the understanding that the dynamic capability consists of 'processes and routine' (p.1107) – a perspective also shared by other leading voices e.g. Winter (2003). Tripsas & Gavetti (2000) demonstrated that an organisation's path, routine, and beliefs at the top management could lead to inertia. With timely and effective response being critical in dynamic managerial capability deployment (Zott, 2003), empirical studies have also confirmed both negative, and positive effects of variance in top management's roles and cognition capabilities regarding resource base perceptions, decision-making and strategic change at the organisational level (Danneels 2011; Eggers & Kaplan, 2009).

What this research has done includes showing how managers find a balance between existing organisational routine and the need to make better decisions in relation to the organisation's strategy (Tippman et al, 2014; Koprax & Konlechner, 2014). Beck & Wiersema (2013:10) more specifically called for empirical research addressing what might constitute drivers of better decision making as opposed to simply, different executive decisions. Table 10.4 below captures these abstractions.

Table 10. 4 Themes related to Cognition and Decision-making

Cases	Identified themes/processes
Abia	Strategic thinking; self-belief, employee empowerment, enabling environment, good communication
Bayelsa	Creativity and ability to convince your team; communication, flat structure, buying-in; idea selling, learning in diverse ways (culture)
Cross-River	Knowledge and learning; collaboration and engagement; whistleblowing; convincing presentation and communication
Delta	Engagement, communication, and negotiation; promoting collegiate system, enabling environment, trust, spirit of ownership and leadership
Ebonyi	Promotes flat structure, workforce empowerment/motivation, proactiveness, open communication, self-awareness; knowledge search, creativity and convincingness, buying-in

As table 10.4 shows, in all five cases, there are several recurring themes/concepts discovered include employee empowerment, enabling atmosphere, engaging, knowledge, learning and ability to convince others, communication, negotiation, creativity, and idea selling, buying-in. In other words, there are many things considered important. Based on a critical analysis of the context in which these concepts were used, it became clear that the concept of communication was very crucial and thus, emphasised using the different themes highlighted. In particular, two keywords, collegiate system, and buying-in strongly reflected communication practices enabling effective and better strategic decisions making rather than just another or different decision by the managers. More details of these concepts is next.

10.5.1 Collegiate system

The use of a collegiate system was significantly reflective in the data as an effective communication process for generating ideas and better decision-making. Collegiate system as used here is because of the way the research participants used the same term to respond to this question and it is believed that it well-aggregates much of the views expressed in all cases examined. The collegiate system relates to creating an enabling and an environment of synergy, listening, and open-mindedness regarding decision-making. As analysis already shows, the process allows a manager to feel free to voice their consideration with an assurance of respect, being listened to and constructive engagement in relation to an idea and decision that could be made. This is consistent with Hodgkinson & Healey's (2011:1510) idea of an "emotionally secure psychological environment" as an important cognitive mechanism. In this study, therefore, it has been demonstrated that the collegiate system was related to how managers enabled better strategic decisions that allowed their banks' to implement cultural evolution/transformation, capacity building, and performance improvements. For instance, in the case of Delta, the following comments confirm this:

"…your voice is heard and whatever you have in mind is discussed. There is no one person that can shout you down or say no to you. …It's something close to a collegiate system in taking some decisions and you can push the bandwidth, the points … your case … yes, this guy really-really want this thing and we'll all look at it and by the time you are saying yes or no to it, you will be convinced that the best decision has been taken at that time [DSM4].

"…a lot of the time we operate from a team type of structure depending on what we want to achieve; and then we say okay, how can we drive that agenda?" [DSM3].

From the above comments, was evident that managers were practicing the collegiate system, and making the best decisions through that. This allows this research to make a case for collegiate system as communication practice enabling best/better strategic decisions in response to the calls by Ocasio et al (2017) regarding communication practices and Beck & Wiersema (2013) in relation to how to make better decision rather than just a different decision, as evident in the emerging economies.

10.5.2 Buying-in

Another aspect revealed by the study as differently expressed by managers interviewed relates to using what was described as buying-in in the data. Buying-in meant that managers used both formal and informal communication to engage, convince and to ensure a better understanding regarding a decision that need be taken. For instance in the case of Cross-River earlier referred, one senior executive, having led some key innovative projects recalled that:

"Another thing that I did for CPC and even for some of the innovation we have deployed …apart from showing data of about where this has worked before; you take a portion of the business and deploy them and showcase. For instance, if you want to do something for the entire bank, I will say let us take a trade zone, and we use it as an example. So when the trade zone now comes out and says, we are making a revenue of x before you deployed this innovation, now you are making x+2 because of this innovation. By the time you deploy it with two or three more, oh! It is working, it becomes a very easier conversation and the entire bank will buy into it". [CRSM3].

In Bayelsa, Delta, and Ebonyi, it also emerged that buying-in practice was used as good communication systems that facilitated decisions for e.g. core application project explained by ESM1. The different perspectives expressed in the data imply that to buy-in the key stakeholders, a manager needs to have self-belief in the idea or suggestion being promoted or being sold to others. In addition to that, another thing is for the manager to organise the idea simply and supporting evidence that may be required in selling the idea. From the above excerpt, it also shows that the quality of the presentation is very important. Evidence must be used to show the promise of the idea. Previous studies including Helfat & Peteraf (2015) and Ocasio et al (2017) have discussed the idea of negotiation rather than buying-in.

Based on the findings in this study, while buying-in may be akin to negotiation, and in fact, includes negotiation. However, this study argues that the efficacy of negotiation may vary in terms of context and culture. Buying-in, as identified and explained, involves stronger skills beyond just negotiation to include idea-selling supported with evidence, *ex-ante*. This thus allows this research to make a case for buy-in as an important practice and process that can enable managers to make better decisions in relation to their firm's environment, strategy and resource base in ways that ultimately support enhanced performance outcomes. As earlier mentioned, due to space, table 10.5 below is used to capture some evidence of the influence of cognitive capabilities on the exercise of DMC across the cases explored.

Table 10. 5 Comparative evidence of managerial cognition and DMC

Managerial Cognition	Abia	Bayelsa	Cross-River	Delta	Ebonyi
Perception	-identified threats from the external environment, -Opportunities provided by Nigeria population -Sustainability opportunity Africa project/opportunity	-Threats from the external business environment Nigeria's population as opportunity; first among Africa expansion projects	-Threats from the external business environment -Nigeria's population as an opportunity - international space as new opportunities	-Threats from the external business environment -Nigeria's population as an opportunity -Sustainability strategy as an opportunity	Threats in the external business environment Nigeria population opportunity Threats by Cybercrime International opportunity
Attention/Attention diversity	Rethink their business model Focusing on retail, value-chain, financial inclusion Search for opportunity on sustainable banking via implementing triple bottom line	Selected retail as a core business model Divesting interest in corporate banking whilst focusing on SMEs/VCM, financial inclusion Retail banking as a brand and business model	Search for opportunity led to its 1st international operation in the UK in 2015. Pension administration and microfinance Challenged previous thinking Focusing on retail strategy and neglected areas in the past	Considering retail to be viable Searching for opportunity in sustainability Maintaining interest in retail and corporate business segments International expansion	Rethink focusing on corporates alone Searching for opportunity in SMEs/corporate value chain segment cautiously Continuous focus on expansion that led to new operation in Dubai
Problems-solving capacity	Used to address liquidity problem via rights issue; customer acquisition and mobilising deposits; cost reduction; business model innovation and service Improve risk management Investing in technology	Drawn upon to address liquidity challenge via FDI/rights issue; adopting diversified retail business model; improved risk management; capacity building including investing in technology and digital banking	Capital base optimised via saving in dollars idea; strong drive for customer acquisition and financial capital building Restructured operations with focus on mass-market; deploying technology to drive retail Cost curtailment initiative	Investment in technology Proactive risk management Investments in technology, innovation and customer service	Implementing retail banking but not as other competitors Income-generating Investing in technology, innovation, and employees

10.6 Summary

To summarise this chapter, and as mention at the start, the purpose of this chapter was to provide a cross-case analysis and synthesis of the key findings from the five cases investigated by the study. The analysis shows that economic downturn, regulation change, and stiffening competition were commonly expressed as embodying the critical and complex environmental challenges recently faced by the organisations and their managers. Based on comparative views too, the analysis also shows that the recent events, challenges, and the associated tensions highlighted a critical lacuna related to the effect of resource cognition. The chapter thereafter synthesised the cross-case financial performance implication of these issues and then, show that the issues acted as triggers to recent the commitment to cultural innovations and capacity building at firms' level. The cross-case evidence and an analysis of those strategic responses suggests the influence of DMC and particularly captures that managers called upon attention diversity to respond to those challenges. Also related to the attention diversity, analysis shows that processes reflecting collegiate systems and buying-in were significantly useful in better strategic decision making, and DMC in the way demonstrated across the firms explored. The next chapter provides more discussion about these findings, the study's key contributions, limitations, and suggestions.

Chapter Eleven

Discussion of Findings, Contribution, Limitation, and Suggestions

11.1 Introduction

This empirical research focused on investigating "the extent of dynamic managerial capabilities deployment and development in Nigeria". The aim is to contribute to the knowledge of DMC empirically (Helfat & Martin, 2015; Adner & Helfat, 2003; Helfat et al, 2007) from the emerging economies context (Easterby-Smith et al, 2009; Maitland & Sammartino, 2015; Fainshmidt et al, 2017; Teece, 2017). Despite that external environment influence are more critical in less-developed countries/economies compared to advanced economies (Makino et al, 2004; Rugman, 1991) there remains a paucity of research addressing the knowledge of DMC from the emerging economies context and less-developed countries especially (Maitland & Sammartino, 2015:21; Pandit et al, 2018).

This study contributes in addressing this gap by uncovering what managers perceive and act upon (Ambrosini & Bowman, 2009; Helfat et al, 2007) in relation to their external business environment and firm's resource base (Helfat & Martin, 2015; Helfat & Peteraf, 2015; Becks & Wiersema 2013; Kor & Mesko, 2013; Danneels, 2011; Martin & Bacharach, 2018). Building on the ideas from Helfat & Peteraf (2015) and Helfat et al (2007), a baseline framework (figure 14 below) was developed as a guide to the empirical investigation of the question and objectives of the research.

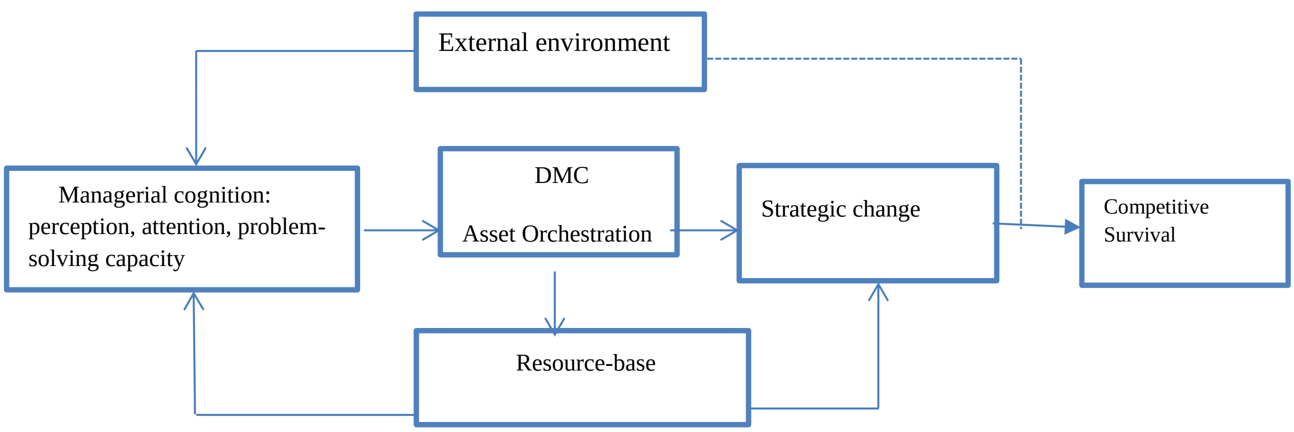


Figure 14 Baseline framework 2

Source: Author

This chapter builds on the cross-case analysis and synthesis of findings in the preceding chapter to discuss and formalise the key insights derived about dynamic managerial capabilities deployment and development in Nigeria. The emergent insights led to a new integrative DMC framework underpinning the key contributions of this study. Next is the contribution summary.

11.2. Contributions Summary

1. This study identified six, but critically analysed three categories of challenges faced by managers in the Nigerian banking industry. It emerged that unexpected economic downturn, unprecedented regulatory change regarding TSA, and stiffened competition, and the concomitant tensions, during the focal period of this research (precisely between 2014 and 2016) were significant challenges (inhibiting) factors for managers, which had implication for DMC in the Nigerian banking industry. This allows this study to contribute in addressing the gap in research about the factors in the external environment that may act as enabler/inhibitor of DMC (Ambrosini & Bowman, 2009), and "how environmental factors affect cognition and capabilities" (Tripsas & Gavetti, 2000: 1159). Implications of those environmental challenges and key events for DMC and cognition are relevant in other findings by this study, next discussed.
2. This study show that managers' cognition about the country's natural resources (crude oil income stream) and government-deposits as *de facto* financial resource base influenced the extent and manner in which managers in the industry deployed DMC in relation to opportunities search and selection, pattern of managers' attention, and organisations' business models, financial resource-base structure and their optimising. More specifically, ineffective cognition about those resources undermined managers' attention towards other sectors of the economy with handsome potentials to their organisations and the commitment to asset orchestration for harnessing those potentials. This is in contrast to their recent attention and commitment to opportunities in other sectors of the economy and income sources after the challenges highlighted about finding (1) above.

   This observation thus allows this study to contribute in addressing the recent calls for more studies about how managers "conceptualise resources and competences" (Danneels, 2011:26), how cognition can be further identified (Eggers & Kaplan, 2013) and gap in research about "the limits that some organisational context may place on DMC" (Helfat & Peteraf, 2015: 846). It also believed that this study contributes significantly to the knowledge about "how an unexpected critical event or series of events can cause shifts in the belief and knowledge systems of executives" (Kor & Mesko, 2013:242) from the context of Nigeria.

3. This study based on insights about what and how managers in the Nigeria banking industry perceived, interpreted and responded to the environmental challenges, and the two critical events referred, introduce the concept of attention diversity (AD). AD refers to "the degree of spread vs. concentration of a manager's attention on and across possible opportunities and/or threats in relation to strategic change, competitive survival and success over time" (Author). In particular, the concept of attention diversity allows this study to contribute to research addressing the question of "what might constitute the drivers of better executive decisions as opposed simply to different executive decisions" (Becks & Wiersema, 2013:10) from the Nigeria banking industry context.
4. This study finally contributes to a more nuanced understanding of communication practices that underpins DMC and attention diversity, by identifying two other concepts including buying-in and the collegiate system as processes relevant to better decisions making by managers in Nigeria (Becks & Wiersema, 2013:10). This finding also responds to the recent call by Ocasio et al (2017) for more studies about communication practices enabling strategic change implementation.

Taken together, it is believed that finding by this study compensates for the paucity of research addressing the knowledge of DMC in underexplored contexts, particularly, Nigeria. It responds to calls for more research addressing the roles of managers in the exercise of dynamic capabilities (see: Adner & Helfat, 2003; Ambrosini & Bowman, 2009; Becks & Wiersema, 2013; Helfat et al, 2007; Helfat & Peteraf, 2015; Eggers & Kaplan, 2013; Peteraf & Reed, 2007; Teece, 2012, 2017; Shoemaker et al, 2018). The succeeding section continues by expatiating on these findings.

11.3. Environmental Complexities and Managerial Cognition

The contributions provided by this study builds on earlier propositions in literature suggesting that it is important to further explores what managers perceive and acts upon in different environmental contexts (Ambrosini & Bowman, 2009), and "how environmental factors affect cognition and capabilities" (Tripsas & Gavetti, 2000: 1159; Helfat & Peteraf, 2015). In other words, what are the key enablers and inhibitors of DMC deployment and development in new underexplored environmental contexts (Ambrosini & Bowman, 2009)? These suggestions led to the first objective of this research: *to determine the key environmental challenges managers face that are relevant to dynamic managerial capabilities deployment in Nigeria*. Discussion of findings addressing this objective is next explained and relied on in highlighting one of the key surprising findings by this research about resources cognition (Danneels, 2011), and its implication for DMC in the context omitted by previous developments.

This study uncovered six categories of external environmental challenges managers face in the Nigerian banking industry. As detailed in the preceding chapters, the key environmental challenges include economic downturn, unprecedented regulatory change, stiffened competition, inadequate institutions, government policies summersault, and socio-cultural related challenges. However, of these six categories of environmental challenges, findings also show that three categories (aspects): economic downturn, regulatory changes, and stiffened competition and their associated tensions, were seen as having the most significant implication for DMC and the firms' competitive survival in the industry since 2014 especially. While the analysis of the three other aspects remains sketchy in this thesis due to space, they also highlight salient insights, which the researcher hopes to incorporate in subsequent developments. Concentration on three aspects accentuated by the research evidence i.e. economic downturn, regulatory change, and stiffened competition is necessary mainly to highlight the connection between especially the unexpected events identified and its implication for DMC in the context of this study. It will also show how the contributions provided by this research responds to the research gap/suggestion by Kor & Mesko (2013) as earlier highlighted in the introduction chapter and in the section above as well.

At the core of some tensions/implications of those three categories of challenges for Nigerian banks and managers include the problem of liquidity, risk asset quality decline (and rise in non-performing loans), and pressure on achievable profits. However, while probes and answers as comparatively analysed in chapter 10 were mainly aimed at addressing objective (1) above, and considered foundational to uncovering how and the extent managers acted or responded in ways depicting DMC. Interestingly and surprisingly too, insights about resource cognition in another context arguably omitted by previous studies (e.g. Danneels, 2011) began to emerge. Discussion in the section below addresses the emergent insights before focusing on the research about how DMC influence competitive survival in Nigeria.

11.3.1 Natural-Resources, Government-deposits and managerial cognition

In particular, one surprising finding by this research was about how managers' cognition about the country's (i.e. Nigeria) natural resources (crude-oil income) and government financial-deposits in Nigerian banks jointly led to what this research has termed "natural resource-trap" as admitted across the samples explored by this research. Danneels (2011) introduced the concept of resource cognition defined as the identification of resources and their fungibility. Danneels (2011) after tracing events that led to the demise of Smith Corona, uncovered that ineffective cognition of the company's two key resources (a) their brand and (b) customers' understanding, impacted the way the managers attempted to exercise the dynamic capability to renew the organisation in terms of which opportunities they pursued, and which they did not. Similar to Danneels (2011), the findings by this study show that ineffective resource cognition negatively impacted how and the extent managers attempted to implement DCs in the Nigeria banking industry and further responds to the call for more studies on how managers "conceptualise resources and competences" (Danneels, 2011:26)

Nigeria is blessed with abundant natural resources– crude oil especially (Nakpodia, 2016). Regrettably, the Nigerian economy over the years has been largely dependent on crude oil income with little effort to diversify its economy (Okotie, 2018). Evidence from this study suggests that the natural resources in the country, in particular, the crude oil unwittingly became what the researcher in this study considered as *'natural resource trap'* at national, industry, organisational and individual managers' levels. Natural resource trap can be defined as the degree in which the natural resources in a place could be limiting or contribute to blurring peoples' proclivity for different and better resources and its associated opportunities (Author). Despite this resource trap, or put another way, source of inertia; Nigeria by 2014 has moved to be Africa's largest economy and the 26th largest economy in the world as widely reported in the media (e.g. The Telegraph 07 April 2014. See, www.telegraph.co.uk).

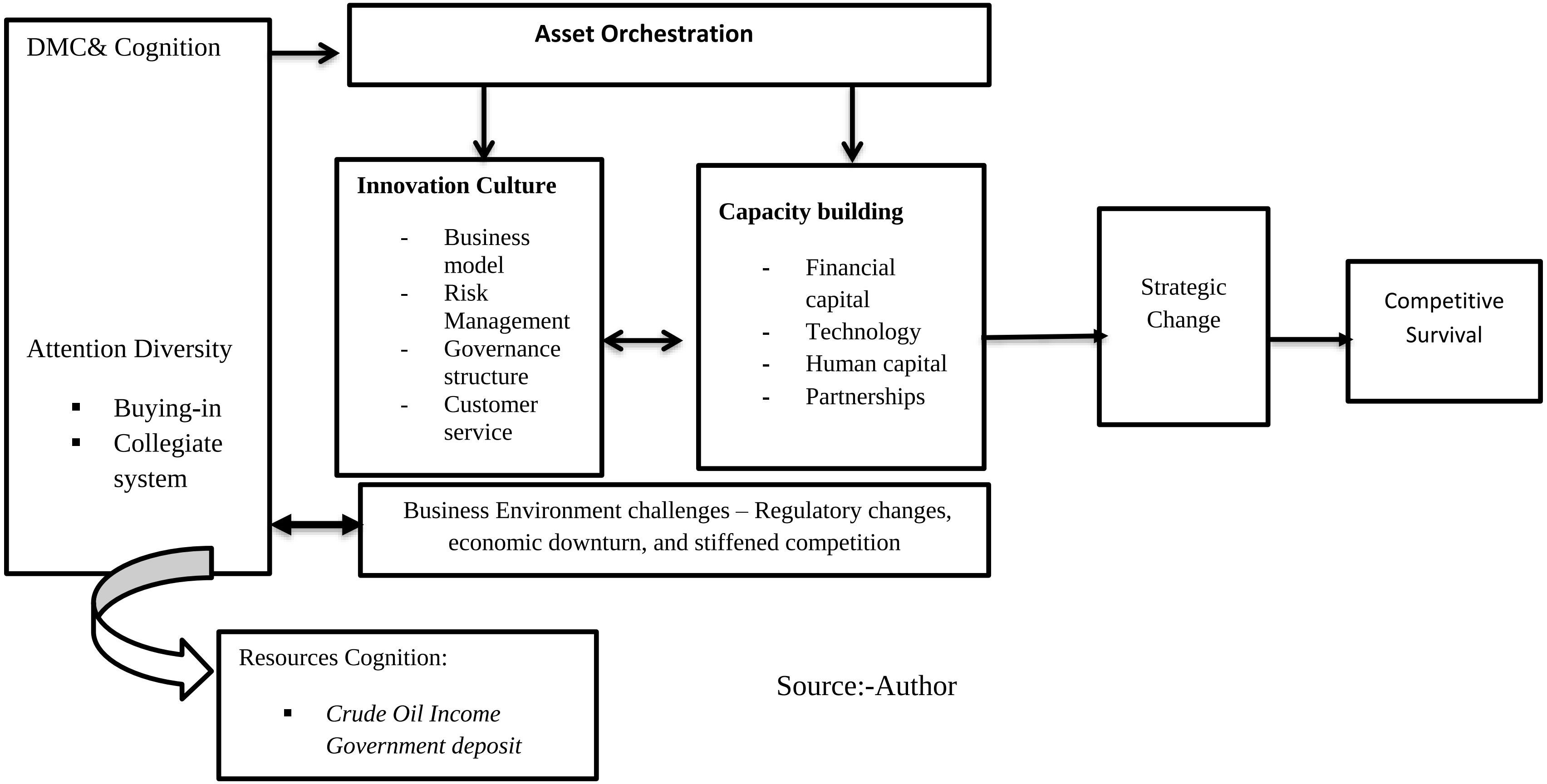
Regrettably, the Nigerian economy slid into recession by 2016 (CBN communique no.109, MPC committee meeting 19-20 September 2016) due to problems in the oil and gas sector of the economy, particularly, an offshoot of the decline in crude oil prices which began in 2014 (IMF country report, 2017). By 2015, the Nigerian government through the central bank (CBN) on their part also introduced the treasury single account policy – a policy directive that mandated the CBN to recall all government funds/deposits from commercial and other banks in Nigeria e.g. microfinance banks (Zubairu, 2015). These two critical events were unexpected by the industry players as confirmed by evidence obtained by this study but interestingly allows this study to uncover important insights contributing in responding to Danneels (2011) and Eggers (2013) suggestions for further research about resource cognition, and the limits that some organisational context may place on dynamic managerial capabilities (Helfat & Peteraf, 2015) .

This study shows that incorrect cognition about the country's natural resources (crude-oil) income streams, and government financial-deposits, which traditionally served as *de-facto* capital base of Nigerian banks by their managers; jointly led to significant assets base erosion and liquidity problems for the banks. These problems strongly threatened the survival of many banks in Nigerian as those sources unexpectedly became challenged following the two critical events from 2014 and 2015 as explained. More specifically, the ease with which banks were making huge profits through revenue from the oil and gas sector, and deposits from government (mostly from the crude oil revenue too) being controlled over the past years, influenced how managers in the industry tried to deploy DMC and asset orchestration – where they searched for opportunities and where not. For instance, the opportunities presented by Nigerian's rising population, SMEs and other sectors of the economy with handsome potentials were utterly neglected by managers until those income sources became challenged.

To make clear the point of departure from the earlier contribution by Danneels (2011), this study enhances the understanding of resource cognition by highlighting two other types of resources: natural resources-related assets/income (crude oil), and government-deposits, not captured in earlier theorisation. Unlike Danneels's (2011) findings in the case of Smith Corona with only negative experience, the present study offers evidence of both negative and positive experiences. Managers' seem to acknowledge their mistake (or past failure) based on their experience from those two critical events (Cope, 2003; 2011), honed their cognition regarding those income sources and responded with "managerially directed asset orchestration" (2017:695) that evidently helped the firms to maintain competitive survival.

Based on this new insight about how managers wrongly perceived the stated income streams as reliable income sources, and how the managers when freed from that mind-set, or inertia later responded with asset orchestration processes, in ways plausibly underpinned by attention diversity. This study not only contributes in addressing the question about *"how environmental factors affect cognition and capabilities"* (Tripsas & Gavetti, 2000: 1159), but also how managers "conceptualise resources and competences" (Danneels, 2011:26) and organisational contexts factors that may place limits on managers DMC (Helfat & Peteraf, 2015). Moreover, the findings allow this study to directly contribute to the knowledge of "how an unexpected critical event or series of events can cause shifts in the belief and knowledge systems of executives" (Kor & Mesko, 2013:242) in organisations in the emerging economies especially. An integrative framework illustrating the research findings is presented in figure 11.2 below and then, followed by the discussion about the concept of attention diversity developed by this study.

Figure 15 Integrative Framework



Source:-Author

The basic assumption of the above framework is that ineffective cognition of firms' resource base had a significant moderating effect on the extent of DMC implementation by managers in the Nigerian banking industry. However, following the environmental challenges highlighted by this research, especially the economic downturn, the TSA policy, and the associated tensions. Managers called upon attention diversity to address the incorrect cognition of their resource base through congruent strategic responses that evidently reflected managerially directed asset orchestration (Teece, 2017) to ensure competitive survival. The framework also suggests that the collegiate system and buying-in contribute to managers' 'attention diversity' and DMC deployment. Further discussion about the concept of attention diversity developed by this study is next.

11.4 Attention Diversity and DMC in the emerging economies

This study has identified attention diversity as cognitive behaviour and driving force related to strategic responses reflecting asset orchestration processes observed from the samples investigated. Discussion in this section further reflects on earlier theorisation on DMC to make a case for a more integrative framework that illuminates a better understanding of the concept as presented by this research. Previous studies have identified that DMC comprises asset orchestration (Helfat et al, 2007; Sirmon & Hitt, 2009). Helfat et al (2007:25) clarified that asset orchestration includes 'search and selection in relation to opportunity identification, implementing new business model, making astute investment choices and accessing critical co-specialised assets'. Search and selection are akin to strategic decisions-making (Helfat et al, 2007). From the above model, this research brings to fore the limiting or negative effect of ineffective resource cognition related (1) crude oil income and (2) government deposit.

Previous studies have also established the basis of effective strategic decisions making or otherwise depends on managerial cognition (Eggers & Kaplan, 2009; Helfat & Peteraf, 2015). This became the basis for the recent extension provided by Helfat & Peteraf's (2015) idea of managerial cognitive capabilities. Figure 15 above highlights how key elements of managerial cognitive capabilities including perception, attention, problem-solving capacity and communication forms the antecedents of DMC and asset orchestration (Helfat & Peteraf, 2015; Teece, 2017). In this study, the finding implies that DCs across all five cases largely includes innovation and capacity building (Eisenhardt & Martin, 2000; Wang & Ahmed, 2007). Initial steps for implementing innovation and capacity building as observed involve search and selection (decisions-making) (Helfat et al, 2007) driven by managers' cognition shift and flexibility (Eggers & Kaplan, 2009; Helfat & Peteraf, 2015; Lauriero-Martinez & Brusoni, 2018) compared to their mindset prior to the 2014 and 2015 critical events, earlier discussed.

As the integrative framework presented above show, ineffective cognition about natural resources in Nigeria, precisely crude oil and government deposit acted as constraint to DMC in the Nigeria banking industry until the unexpected drop in crude oil prices which began in late 2014, and unprecedented introduction of TSA policy in 2015 (Zubairu, 2015). Triggered by tensions generated by those critical events, findings show that attention diversity acted as a plausible driver of asset orchestration related to the two organisational level DC (innovation and capacity building) by management of banks in Nigeria. To that extent, findings by this research also lends credence to previous studies, which characterise DMC in practice as a managerial process mainly driven by managers' cognition (Adner & Helfat, 2003; Eggers & Kaplan, 2009; 2013; Helfat & Peteraf, 2015;Martins & Bachrach, 2018; Ambrosini & Altintas, 2019).

Moreover, previous studies have also found that attention patterns (myopic or farsighted) connects to how managers may respond to external environmental stimuli under conditions of uncertainty (Eggers & Kaplan, 2009). Laamanen & Wallin (2009) through the analysis software firms show that managers who paid the most attention to customers need developed capabilities to improve their offering. Tripsas & Gavetti (2000) discovered that attention to new technologies helped Polaroid to develop their capability on digital imaging. From a political policy perspective, Boydstun, Bevan & Thomas III (2014) posits that political attention to a given policy matters. This study is related to these previous contributions because it aligns with the understanding that managerial attention matters but distinct by highlighting the importance of attention distribution to both opportunities and threats in the business environment explored and better decision-making.

In particular, this study shows that attention diversity is critical for competitive survival in the emerging economies. Building on Boydstun, et al (2014:174) idea, attention diversity can be described as the "the degree of spread (vs. concentration) of managers' attention on and across possible opportunities and/or threats in relation to strategic change, competitive survival and success over time". One of the most profound insights from this study was about how the over-concentration of banks and their managers on income streams from the oil and gas sector and government deposits led to the neglect of other sectors despite the huge potentials they hold. This, in turn, led to significant liquidity problems when two unexpected events (economic downturn, and the introduction of TSA in Nigeria) occurred. Fast-forward, this study notes that lessons were learned and across the five cases investigated, managers responded with attention diversity helping to initiate innovations and capacity building actions reflected in figure 15.

One of the strongest evidence of attention diversity contribution uncovered by this study was regarding swiftly adapting/modifying firms' business models (and implementing diversified banking) in all five cases investigated. Ebonyi claimed that they "cautiously came down the ladder" – referring to their recent implementation of the retail banking model while holding unto corporate banking models as their core interest. Similarly Delta, Abia, and Cross-River all declaring more focus on the retail model, while Bayelsa talked about fully or 100% focusing on the retail banking model thus divesting their interest in the corporate banking model. Whether more focused or fully focused on the retail-banking model, a stronger illumination of the importance of attention diversity was also explained on the basis that the retail banking model itself characteristically and in the context of this study requires the management to further distribute attention towards many other things essentially key to implementing retail. For instance, managers differently talked about investments in technology, new customers' acquisition, measured approaches to cost containment, and human capital building to name a few.

Furthermore, analysis shows that four out of the five cases explored alluded to stronger benefits and assurance of more sustainable business because they diversified their attention by modifying their business models to now having more significant attention to business segments earlier on ignored or given little attention. In the case of Bayelsa, their approach signifies a complete switch from the prior concentration of corporate and public sector related banking models to a concentration on the retail banking model. However, little evidence was found to suggest that they have fared better than others by more concentration on the retail banking model whilst completely unwind interest in corporate sector banking. The concept of attention diversity also allows this study to integrate further findings regarding two other cognitive processes that evidently underpinned better and effective decision-making related to resource base transformation in the organisations by managers. The next session expands on this.

11.5 DMC: Collegiate System and Buying-in

Objective 3: How to find a balance between the existing routine and better decision making.

1n addressing the above research objective, findings from this research highlighted a number of related themes as contained in table 10.4.1 and discussed in the preceding chapter. Based on the context in which managers discussed the concepts, it became clear that managers individually and as a team, all have parts to play and the organisational routines as well. In other words, the support of the managers and organisational system and culture were all required. After evaluating the themes and context in which managers used them, this study captured the enabling processes to include mainly communication in ways particularly involving collegiate system, and buying-in as processes enabling effective decisions making in Nigeria.

11.5.1 Collegiate system

The collegiate system is a communication practice that depicts an enabling environment and structure, which allows synergy for mutual interaction, communication and decision making. Using a collegiate system, managers felt free to voice their considerations and propositions with an assurance of respect, constructive engagement and consensus where possible in relation to strategy and decision-making. Hodgkinson & Healey (2011:1510) suggest that an "emotionally secure psychological environment" is an important cognitive mechanism, which enables strategic change. So, through collegiate system decisions can be arrived at with more transparency, engagement, and openness. It is about interfacing with different stakeholders to, for example, discuss plans of action, listening and offering feedback to what a stakeholder's perception about strategic issues of importance. These findings concur with Ocasio et al (2017) recent analysis of the role of communication in facilitating co-orientation and management attention on strategic initiatives and activities enabling strategic change in organisation. In other words, faced with series of critical scenarios or perhaps when one is constrained by organisational path (Helfat & Peteraf, 2015, this study show, and add to extant knowledge by suggesting that collegiate system can enable managers not only to make different strategic choices but also better managerial choices (Beck & Wiersema, 2013).

11.5.2 Buying-in

The findings of this study also show that buying-in underpins effective decision-making. Managers differently spoke about strategic decisions making related to recent investments in innovative technology, implementing new business models, structure and processes change, new business solution offering, their development, and cultural shift. In this regard, the ability to convince or to buy-in relevant stakeholders that such initiatives are necessary and the right way to go was very important. In this study, participants in the study explained that the industry is a highly regulated one and therefore, strategic decisions must be taken not only by satisfying that the overall best business interest of the organisation and other key stakeholders are served but also that no regulatory infractions may be caused. Based on consistent use of this theme, and the way it was used, it became clear that the concept of buying-in involves (1) belief in an idea, (2) organise the idea clearly and convincingly, and then (3) getting others to believe in your idea regarding an important strategic proposition.

Buying-in reflects a number of the views expressed by Ocasio et al (2017) and Helfat & Peteraf (2015) about the role of communication in enabling strategic change and asset orchestration. Helfat & Peteraf (2015:843) talked about the language can be used to communicate broad, and overarching goals is necessary in order to foster alignment among disparate parts of an organisation. The authors also add that the communication style of top managers in general, and the way they communicate vision …can inspire workers and encourage initiatives (Helfat & Peteraf 2015). This study argues that while self-belief and communication remains critical, you may not really have DMC in practice if it only exists in your mind-set, and in your perception, a good idea, or because you communicated a set of ideas, perhaps unconvincing. In other words, the self-belief and how it is communicated must compel strategic decision making by convincing others on a strategic matter related to innovation at the organisation's level to suffice.

Therefore, the extent to which a belief is translated to strategic decision for innovation is dependent on the extent to which the initiator buy-in or influences the belief of others on a strategic matter. The findings of this study strongly affirm this. This study demonstrates that managers through buy-in were able to influence better decisions related to strategic change. Taken together, through these findings, this study thus responds to the call by Ocasio et al (2017) about research to identify other communication practices enabling DMC. It also contributes to addressing the question by Becks & Wiersema (2013) about what may constitute drivers of better executive decisions as opposed to simply different decisions.

11.6. Implication for Managers

This study offers several practical business implications for managers. Findings by this research are consistent with the perspectives of other strategy scholars highlighting that DMC including managerial cognition capability and effective leadership are fundamental in the asset orchestration that can ultimately lead to competitive survival or advantage. (e.g. Adner & Helfat 2003; Ambrosini & Altintas 2019 Danneels, 2011; Helfat et al, 2007; Helfat & Peteraf, 2015; Day & Schoemaker, 2016; Eggers & Kaplan, 2013; Martins & Bachrach, 2018; Huy & Zott, 2019; Rosenbloom, 2000; Schoemaker et al, 2018; Teece, 2007; 2012; 2017).

First, managers especially those in more complex settings like Nigeria should note that their cognition capabilities and attention diversity in relation to their organisation's resource base and environment are critical to the DMC required for long-term competitive survival, and staying ahead of rivals (Fainshmidt et al, 2017; Teece, 2017). Managers thus must seek to develop their resource cognition capability and maintain their organisation's long-term success through honest and prudent assessment of their resources base (Danneels, 2011). Secondly, managers should seek to enhance their DMC and attention model (Ocasio et al, 2017) and decisions making capabilities (Beck & Wiersema, 2013) through attention diversity rather. This will ensure that they and their organisations are not relying on the perceived benefits of naturally endowed resources and/or other institutions/sectoral entrenched norms that may unwittingly become sources of inertia exposable when things change in unexpected ways as revealed by this study. By valuing attention diversity, they are more likely to fully search, select and exploit other available or underexplored opportunities, problems solution and even those they could create.

Thirdly, to exploit perceived opportunities or respond to change in the business environment, managers should engage communication processes involving collegiate system, and buying-in as key mechanisms for necessary asset orchestration. Other communication practices have been previously, discussed as underpinning cognitive capability (Helfat & Peteraf, 2015) attention management (Ocasio et al, 2017) and decision-making (Kunc & Morecroft, 2010; Kor & Mesko, 2013). Additional communication mechanisms such as collegiate system, and buying-in as revealed by this study should be, spurred in order to facilitate the mental model for asset orchestration in ways that can enable competitive survival or performance improvement.

11.7 Limitations of the study and suggestions

As with any empirical research endeavour, this research has many limitations some of which also provide avenues for future lines of research. One of the limitations of this study is regarding the research methodology employed and in particular, the data collection process. As Hoskisson et al (2000:257) earlier acknowledged, 'research on strategies in emerging economies faces several difficulties, especially, data collection problems'. An investigation on the concept of DMC and asset orchestration characteristically places restraints due to how to access the calibre of informants and the sensitivity of information required. Access to the needed informants for this research was challenging beyond the expectation of the researcher. For instance, some potential informants who initially accepted to assist the researcher with interview opportunity could not respond to contacts put to them when the data collection commenced in earnest and they were needed for the interview. Some could not guarantee when exactly it would be possible to meet with them; their busy schedules mostly cited. This necessitated a change to the researcher's initial plan to travel to Nigeria for data collection.

Following Rowley (2012) suggestion, the researcher consequently relied on interviews conducted over the telephone; twenty-seven interviews altogether but twenty-four was used in the end. The remaining three unused interviews were mainly because the participants did not meet the senior/middle management position criteria. One of the senior executives who earlier agreed to an interview with the researcher, elected to speak with the researcher when he arrived in the UK for an official assignment on the date he gave but later sent a message to explain that he lost a relative and had to quickly return to Nigeria. While it would have been useful and preferable to have a face-to-face interview with the participants, it was also realised that the telephone interview option worked well.

All but one of the participants are people the researcher never met before. The participants seemed more comfortable to speak on the phone since it tend to preserve their security perhaps, anonymity as assured already, and to speak at their best comfort places. Despite the stated constraints, the telephone interviews allowed the study to obtain rich and valuable data used to address the questions of this study. Some impactful contributions to DMC e.g. Danneels (2011) have also relied on telephone interviews. This suggests that the use of telephone as against face-to-face interview does not demean the quality of conversation and richness of the data as one may presume, especially if the right questions were asked (Yin, 2009), and probed if necessary.

Nonetheless, the data collection process was not without pockets of biases. The researcher noted that during the interviews, some of the participants did not want to answer some questions about key strategic decisions perceived as being either too sensitive or demands revealing classified information. Such positions were respected. In some cases, some responses by the participants seemed somewhat inconsistent with reality. This is mainly from some senior managers/executives who did not want to expose/admit the mistakes of their bank. A typical example was one of the senior executives who claimed that there were proactive and that the TSA policy did not affect them much. On the contrary, a middle-level manager from the same organisation explained that their bank was adversely affected, by the policy. However, the CLS and data contained in the bank's annual report confirmed the latter to be more realistic. This also shows that a combination of data sources as employed enhanced the research validity.

Despite that, the semi-structured interview approach allowed for answers to questions to be probed further and in some situations to vary the sequence of questions or return to and reframe some questions differently in ways that helped to obtain richer information and details. As already mentioned, the researcher also obtained important information through the annual report, CLS, press releases and media reports. For some of those written materials, it would have been useful to probe further on what was written in order to get more answers or clarity. Nevertheless, it is believed that semi-structured interviews with the managers interviewed and other media interviews accessed by the researcher complements this and also helped to ensure that only verifiable facts have been relied on by this study.

Another limitation is the scope of this study. DMC is context-dependent (Ambrosini & Altintas, 2019) and as such, findings by this study may not be fully generalizable beyond the Nigerian banking industry and some emerging economies context. However, it is considered that the Nigerian banking industry shares similar characteristics with many other highly regulated and rapidly evolving service industries in other countries especially, the emerging economies. Therefore, insights from this study can be applied to industries such as insurance in other emerging/developing economies. However, having restricted the research to samples from the Nigerian banking industry, it, therefore, allows the opportunity for future studies to complement this study by investigating other fast-changing sectors such as the IT, automotive industry and even public sector institutions.

Moreover, while the range data/focal period analysed by this study may reflect a longitudinal research, analysis over a longer period say ten years could have been more worthy. This is admittedly limiting for this study. However, it is also a strength of the study by concentrating on a critical period in the industry to determine how DMCs were exercised. Despite the contribution of this study, it remains important to emphasise that there remains a scarcity of research and literature on the idea of DMC from the emerging economy context. Certain aspects about the concept as discussed here can be further explained, or improved upon. For instance, future research could aim to further explore how and the extent to which DMC are developed and deployed in other emerging economies with less dependency on crude oil, and less-public sector driven economies. Additional insights could emerge from such contexts.

In addition, given the impact of public-sector organisations in emerging economies, a context in which thus far known to have received less research attention (Pablo et al 2007; Piening, 2013), future analysis could aim to explore the nature of DMC in public sector organisations from the emerging economies context. Furthermore, the concept of attention diversity introduced by this study requires more precise theorisation and operationalization. For example, in this study, inferences by this study have relied largely on how managers described their attention in terms fully focused or more-focused, redirection and distribution in comparison to what they were in the past. The researcher thus believes that a stronger measured approach can be developed. Future studies could prioritise this.

Finally, this study by probing the cognitive frame associated with managers' responses under the condition of extraordinary challenges in Nigeria has demonstrated that natural resources and the scale of public or private sector domination in a country's economy have critical implications for DMC deployment and development. More research effort to explore the role of other different types of natural resources on capabilities at organisational and managerial levels would be a fruitful endeavour. Notwithstanding the limitations of this study as acknowledged, it is believed that this thesis provides useful insights and particularly brings to fore the knowledge of DMC from the context of Nigeria.

11.8 Conclusion

In conclusion, why/how do some organisations survive, and/or further maintain a competitive advantage in a complex business environment? This study began by highlighting that this age-long question in strategy research is central in the dynamic [managerial] capabilities research mission (Salvato & Vasollo, 2018; Helfat & Martin, 2015). Based on the promise of the concept, and extant gaps in literature, this study responds to the observation in scholarship that interrelationships between DMC, DCs and competitive advantage, and critical challenges that may affect managers' efficacy in those roles have not been fully explored. Up till date, the empirical evidence of DMC remains scant (Helfat & Martin, 2015; Correa et al, 2019) and, only "few studies have examined the relationship between DMC and firm performance under extremely unfavourable macro-environmental conditions" (Fainshmidt et al, 2017:1089) from the emerging economies context (Maitland & Sammartino, 2015; Teece, 2017).

This study focused on investigating DMC deployment and development in the Nigerian banking industry and is notably one of the few research efforts that have explored the concept from emerging economies context, Nigeria in particular. It thus compensates for the paucity of empirical literature on DMC from the context of Nigeria. Based on a critical realism philosophy involving a qualitative case study of firms in the Nigerian banking industry, this study has identified environmental factors that acted as inhibitors to DMC on one hand, and on the other hand triggers of DMC deployment and development now helping to maintain competitive survival of firms in Nigeria. Specifically, this study has explained how managers' incorrect cognition about crude oil income streams and government deposits, traditionally enjoyed in Nigerian banks constituted a moderating effect on managers' commitment to DMCs deployment and development in the industry. The findings allow this study to contribute to the literature on resource cognition through new insights regarding external and organisational contexts that can place limits on cognition and DMC development and deployment (Helfat & Peteraf, 2015).

This study based on the tension triggered by the unexpected economic downturn from late 2014, the unprecedented introduction of TSA policy in Nigeria in 2015, and competitive intensity partly exacerbated by those two events mentioned, in addition to shifts in technology and customers' need today, albeit globally (Schoemaker et al, 2018) identified the importance of attention diversity. Attention diversity was central in how managers responded with assets orchestration that contributed to the survival and repositioning for the long-term success of many banks in Nigeria. It means that attention diversity is an important enabler of better decision-making (Becks & Wiersema, 2013) and DMC (Helfat & Peteraf, 2015).

Managers through attention diversity influenced better decisions-making and organisational DC (asset orchestration) mainly appearing in the form of innovation including shifts in organisational culture, and capacity building in Nigerian banks. Relatedly, this study also identified that communication practices involving collegiate system and buying-in supported DMC through attention diversity and asset orchestration at firm levels. This led this study to introduce and makes a case for attention diversity as an important driver of DMC that can help managers and their organisation to address inertia whilst ensuring good resource cognition (Danneels, 2011), in terms of managements' perception and attention distribution to opportunities and solutions in ways allowing better decision making related to resource base changes and improvements.

Finally, this thesis acknowledges its limitations and underscores the need for future studies. Despite its limitations, this study has contributed to bringing to fore the knowledge of DMC from the context of Nigeria. The researcher hopes that future studies would advance the contributions provided by this research in order to further enrich our knowledge of the influence of cognition and DMC. In particular, through more research exploring the knowledge of DMC in the emerging economies, scholars could bring us to fuller theorisation of the DMC and DC concepts and lead us closer to addressing the age-long question of strategy – how firms can achieve and maintain a sustainable competitive advantage.

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Appendix 1 – Research ethical approval

Dear Chinedu

Faculty of Business and Law Ethics Review

Title: Dynamic Managerial Capabilities Deployment in Emerging Economies: a managerial perspective in the Nigerian Banking Industry

I am pleased to confirm that the reviewer has looked at your amended application and has granted ethical approval on the basis of this proposal and subject to compliance with the University policies on ethics and consent and any other policies applicable to your individual research.

Please note that you must also notify this office of the following:

- Any significant changes to the study design;
- Any incidents which have an adverse effect on participants, researchers or study outcomes;
- Any suspension or abandonment of the study;

We wish you well in your research endeavours.

Kind regards
Sarah

Sarah Agnew
Research Administrator (Ethics), Research and Business Services

northumbria UNIVERSITY NEWCASTLE
T: +44 (0) 191 227 3656
E: sarah.agnew@northumbria.ac.uk
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Appendix 2

RESEARCH **ORGANISATION** INFORMED CONSENT FORM

Faculty of Business and Law

University of Northumbria

Completion of this form is required whenever research is being undertaken by Business and Law staff or students within any organisation. This applies to research that is carried out on the premises, or is about an organisation, or members of that organisation or its customers, as specifically targeted as subjects of research.

The researcher must supply an explanation to inform the organisation of the purpose of the study, who is carrying out the study, and who will eventually have access to the results. In particular issues of anonymity and avenues of dissemination and publications of the findings should be brought to the organisations' attention.

Researcher's Name: Chinedu Ochie

Student ID No (if applicable):12037034

Researcher's Statement:

The Head Human Resources

XXX Bank Plc Lagos, Nigeria,

My name is Mr. Chinedu Ochie, a doctoral researcher at Newcastle Business School, Northumbria University, UK. This academic research project is focused on **Dynamic Managerial Capabilities Deployment in Emerging Economies: a managerial perspective of the Nigerian Banking Industry.** The purpose of the research is to contribute to the knowledge of dynamic capabilities deployment in practical business realities. I am writing to request your assistance by giving me an opportunity for an interview with you via telephone or Skype on a suitable date/venue/time.

A purposive sampling technique has been used to select participants in the research and you are being approached formally. This means that your organisation has been purposefully identified for this study because of her significance as a key player in the industry and relevance to the research focus, and you in particular because of your position as senior level manager in Union Bank Plc and based on the consideration that your valuable knowledge and experiences would contribute to both dynamic capabilities theory and practice vis-à-vis this research project. Please note that the research interview will involve not more than one hour telephone/Skype conversations with you at a suitable time and place of your choice. For quick documentation, I intend to record the conversations electronically (if I am permitted). Your participation in the interview is voluntary and you have the right to withdraw your participation at any time/stage you choose without any regrettable consequences.

Perhaps you may feel uncomfortable to share certain aspects of your experiences or opinion especially about sensitive information or some strategic practices of your organisation; I wish to let you know that your right to shield such information or any aspects which you may not want to share will be absolutely respected. Moreover, I can assure you that any information which could identify you or any other manager and your place of work will be strictly protected in line with the Data Protection Act 1998 in the UK and in compliance with the Northumbria University research ethics policy and guidelines. For example, while it is expected that the research will lead to academic publications in the form of a thesis, and journal articles, only codes and pseudonyms will be used in the discussion of interview data. In other words, information about your identity, address, and place of work will be anonymized. Please see a copy of the confirmation of ethical approval for my research.

The following resources and arrangement are especially in place for storage and to ensure the highest level of data protection:

(a) The telephone/Skype interview with you will be conducted from a private office located at the Newcastle Business School in Northumbria University and without the presence of any third party.

(b) The interview record will be transcribed personally. No third party will be used.

(c) The interview transcripts will be anonymised. Other paper documents including this consent form be kept confidential and separate from all other research materials like journal articles and textbooks. Please note that it may be unhelpful and almost impossible to anonymise voice files/records.

(d) In the research office, I have access to a steel locker/file cabinet and their keys with which I hope to store hard copy documents such that they are not accessible to any other person(s).

(e) My PC and network U-drive at the university where I store my electronic files are all protected with strong passwords. So as much as the university network security permits, my personal files are well secured.

(f) My house in Newcastle to the best of my knowledge has no history of burglary and it is under a special security surveillance company apart from the Northumbria police. My home computer to the best of my knowledge is safe, used by me alone, and is password protected.

(g) Data collected from you will remain confidential and will be destroyed within six months after the research is completed or immediately if you choose to withdraw your participation.

There are no costs to you and your organisation in the research process only the time for participating in the interview. However, it is more likely that you and other executives in Union bank would find the outcome of the research insightful, timely, and can help to improve the business performance of the bank through the application of the insights derived. It is expected that research would provide unique contributions to knowledge in the strategic management field and fresh insights into the dynamic capabilities theory especially. It will also offer practical prescriptions to business executives about new ways of how to more astutely develop and deploy capabilities within their organisation to enhance their competitiveness and success in emerging economies and beyond. A copy of the research output can be emailed to you on your request. If you accept to participate and to assist me in my research, please complete the section below and email this consent form back to me as soon as possible. If you have further concerns about this research, please do not hesitate to contact me via email: chinedu.ochie@northumbria.ac.uk; phone: +447411984330 or my supervisor: Prof Gregory Ludwig via email: gregory.ludwig@northumbria.ac.uk.

Yours Sincerely,

Chinedu Ochie

Any organisation manager or representative who is empowered to give consent may do so here:

Name: ____

Position/Title: ____

Organisation Name: ____

Location: ____

If the organisation is the Faculty of Business and Law please completed the following:

Start/End Date of Research / Consultancy project:	Start: End:
Programme Year Sample to be used: seminar group, entire year etc.	
Has Programme Director/Leader, Module Tutor being consulted, informed.	

Anonymity must be offered to the organisation if it does not wish to be identified in the research report. Confidentiality is more complex and cannot extend to the markers of student work or the reviewers of staff work, but can apply to the published outcomes. If confidentiality is required, what form applies?

[ ] No confidentiality required

[ ] Masking of organisation name in research report

[ ] No publication of the research results without specific organisational consent

[ ] Other by agreement as specified by addendum

Signature: ___________________________________ Date: _______________

This form can be signed via email if the accompanying email is attached with the signer's personal email address included. The form cannot be completed by phone, rather should be handled via post.

Appendix 3 - Profile and background of cases

The case of Abia

Abia is regarded as one of the 'new generation' Nigerian commercial banks. Established in the late 1980s, the organisation has since developed to become a multinational bank through a network of over 300 branches across Nigeria, Africa, and service outlets in the United Kingdom. Abia (for short) currently ranks among the three largest banks in Nigeria, listed among Africa's largest twenty-five banks and among Top 1000 global banks (Annual report, 2016). Abia lists on the Nigerian Stock Exchange. During the 2004/2005 consolidation programme by the CBN, Abia acquired one of the banks identified as technically insolvent and successfully integrated (Source: Annual report, 2016). The organisation prides itself as being renowned in offering a comprehensive range of financial products and services in key business segments including commercial banking, corporate and investment banking, and business and personal banking, also known as retail. The key customer segments and client base of the organisation comprise manufacturing, oil & gas, telecommunication, beverages, construction, parastatals, high net-worth individuals and middle income professionals (Source: Annual report, 2016).

The Case of Bayelsa

Bayelsa prides itself as Nigeria's leading retail bank with strong offerings in corporate and business banking as well. Originally established in the early 1990s as a private limited liability company, the organisation in 2005 became a Public Limited Liability Company (PLC). Bayelsa is regarded as one of Nigeria's new generation banks showing significant development and continuously achieving great fit both locally and internationally since its creation. Bayelsa lists on the Nigerian Stock Exchange and on Global Depository Receipts (GDRs) on the London Stock Exchange. Bayelsa ranks among the top ten banks in Nigeria by the CBN, Africa's top twenty-five banks and among the only nine Nigeria's commercial banks ranked among Top 1000 Global banks by The Financial Times magazine in 2017. Bayelsa also takes pride in being the first Nigerian bank to operate in the Francophone West Africa with branches in countries including Ivory Coast, Republic of Benin, Senegal and Togo. By 2013, the organisation extended its operation beyond Africa when it established a subsidiary in the UK. Bayelsa boasts of over 270 branches across major cities, towns, and states in Nigeria an evidence of strong presence both in the Nigerian space and beyond (Source: Annual report, 2016).

The Case of Cross River

Cross River Bank (CRB) hereafter, was originally established in the late 1970's to operate as a stockbroking, issuing house and registrar firm in Nigeria. About five years later, following its success as a broker and issuing house, it metamorphosed and became a merchant bank and a deposit taker. CRB prides itself on being the first merchant bank in Nigeria to declare N1 billion in terms of profitability at the time. CRB again transformed from a merchant bank to a commercial bank by 2004 and was listed on the Nigerian Stock Exchange the same year (Annual report). CRB is also a public limited liability company. CRB was only ranked among Tier 2 Nigeria banks compared with her other rivals involved in this study that were all listed among Tier 1 capital banks. CRB through an initial public offer (IPO) was able to raise N16 billion towards the N25 billion paid up capital requirement of the CBN during the 2005 consolidation programme to make her one of the only 25 surviving banks in Nigeria at the time. Cross-River by 2007 further completed the acquisition of three undercapitalised to bring the bank to about 150 branches from 26 branches. Although CRB maintains a strong presence in Nigeria and it has only one international banking operation presence in the UK. (Source: company's website/annual report).

The Case of Delta Bank

Delta bank was established in Nigeria in the 1990s, thus, regarded as one of the new generation banks. Delta has made significant inroads and impacts in the Nigeria banking space and beyond to become "one of Africa's leading financial institutions" (CLS, 2016). Delta is a quoted company, and lists on the Nigeria Stock Exchange, and on the Global Depository Receipt on the London Stock Exchange. The bank emerged as one of the few survivors of the 2004/2005 consolidation of the CBN. In addition to its Nigeria operations, Delta bank also has banking operations in other countries including the UK, Tanzania, Ghana, Liberia, Kenya, Rwanda, Liberia, Uganda, Sierra Lone, Gambia, and Cote d'Ivore. Delta bank not only ranks among the top five commercial banks in Nigeria (cbn.ng.org) but also among Africa's top most twenty-five banks and the top 1000 global banks (Financial Times).

The Case of Ebonyi

Ebonyi is one of the biggest banks in Nigeria. The bank was established in the 1990s as a commercial bank and commenced operation the same year. By mid 2000s, the bank became a public limited liability company (PLC) and was listed on the Nigerian Stock Exchange the same year (Source, annual report, 2016). Ebonyi is listed on a non-capital raising Global Depository Receipts (GDRs) on the London Stock Exchange – one of the very few Nigeria banks to have achieved that. By 2015, Ebonyi was admitted into the Premium Board of the Nigerian Stock Exchange (source: 2016 annual report). The bank ranks among the top three banks in Nigeria, Africa's top twenty-five banks and named among Top 1000 global banks according to The Financial Times magazine in 2017. Ebonyi boasts of over 500 branches across metropolitan centres, major towns and cities, all states and the federal capital territory, Abuja, Nigeria. Ebonyi prides in being the first Nigerian bank that was licensed for banking operations in the United Kingdom, and have since expanded her international presence and operations to other countries including Ghana, Sierra-Lone, Gambia, Dubai and country offices in South Africa and China (Source: Ebonyi press release statement and Website).

Appendix 4 Interview Guide

Participants Name

Participants Position

Participants Years of experience in the industry

What does your role involve?

Business Environment:

1. How would you describe the structure of your management teams in terms of how you interact to achieve your goals? Who are those involved?
2. What significant challenges have been facing regarding your banking business in Nigeria? Why?

DMC and Strategic response/actions/changes

3. How have you been responding to these challenges exactly? And why?
4. Talking about (one recent/on-going innovation project or strategic initiative), describe the project/initiative, and the decision making process involved?
5. How would you describe the senior/middle level management team contribution to the project/initiative? What were your (specific) roles in one project you were involved in?
6. What other new business opportunities are you looking at? Why? How did it emerge?
7. What resources do you consider most important? Why? How do you ensure that you will continue to have those resources?

How managers find balance between routine and DMC/decision making

8. What internal sources of constraints have you had in your work in terms of your strategic decisions-making? Why?
9. How do you manage such situations in order to make a better decision? Example?

General question related to DMCs

10. What other past experience did you have that became the basis of your decision for one strategic change? How did the experience, learning or understanding emerge?
11. In summary, what do you consider as the key success factors in your organisation? Why?

Appendix 5

Coding frame showing how banks responded in ways that reflecting asset orchestration

Subcategory themes	Generic Category	Main category	
▪ Diversifying by focusing more on retail banking ▪ Focusing more on value chain/MSME banking ▪ Interest in sustainable business culture	Business Model modification	Cultural Innovation	Asset Orchestration (AO)
▪ Improvements on risk management ▪ Changed lending practice ▪ Focus on cost reduction ▪ Using supportive technology	Risk, and balance management		
▪ Creating new regions and divisions ▪ Functional reorganising/restructuring ▪ Implementing a flat structure ▪ Promoting teamwork/collegiate system	Governance structure and enabling culture		
▪ Introducing new products/business solutions ▪ Quality customer service ▪ Customer relationship improvement ▪ Leveraging on digital banking	Customer-centric banking culture		
▪ Rights issuing and equity investments seeking ▪ Focusing on growing customer base/financial inclusion ▪ Seeking new/alternative income lines	Optimising financial capital base	Capacity Building	
▪ Investing in cutting-edge technologies ▪ Upgrading core application ▪ Creating a social media platform	Technology infrastructure building		
▪ Hiring talents from non-banking background ▪ Training/mentoring/motivating employees ▪ Promoting continuous learning culture ▪ Collaborating with Fintechs, Telcos, and agents	Human Capacity building		
▪ Focusing on Africa/international expansion ▪ Building an international brand and recognition ▪ Untapped opportunities search	Expansion and brand building		

Appendix 6: The influence of Cognition and DMC

Subcategory themes	Generic Category	Main category	
▪ Nigeria's huge population/ Africa/other countries ▪ Abundance of unbanked MSMEs/people in Nigeria ▪ Technology/digital banking as now/future of banking	Opportunities recognition	Perception	Managerial Cognition to underpin DMC
▪ Global attention shift from fossil fuel ▪ Introduction of TSA ▪ Shifting competition boundary	Threats recognition		
▪ Government, and corporates as key income sources ▪ Focusing on corporates (in risk asset creation) ▪ Minimal interest in retail segment	Attention Concentration	Attention Diversity	
▪ Less concentration on oil income sources and government deposit ▪ Focusing on neglected segments with good opportunities ▪ Spreading attention across different sources for income, information, and ideas ▪ Increasing global network/focus/inspiration	Attention Diversity		
▪ Listening and being open-minded to diverse views/opinions ▪ Engaging with employees at all levels ▪ Looking for game changing ideas	Collegiate system	Communication practices	
▪ Self-belief ▪ Organising ideas effectively ▪ Convincing presentation to stakeholders	Buying –in		
▪ Investment and commitments on capacity building ▪ Investment on innovative business model/culture ▪ Restructure/realigning operation ▪ Creating a diversified financial capital structure	Innovation and Capacity building (AO)	Problem-solving	

Appendix 7 Nigeria – Country profile and relevant facts

Country Profile: Nigeria vs. UK			
	Nigeria	UK	Comments/sources
Region	Africa	Europe	www.qqfs.com www.uneca.org/publications
Capital	Abuja	London	www.qqfs.com www.countryeconomy.com
Classification of economy	Emerging	Developed	www.uneca.org/publications
Population	190.8m as of July, 2017	66.5m as at July 2018	www.qqfs.com; WBG: www.data.worldbank.org www.countryeconomy.com/countries/nigeria/
Percentage of world population	2.35% (2017)	0.86% in (2017)	www.qqfs.com; www.tradingeconomics.com/nigeria/population
Annual population growth	3.2% by 2017	0.6% in 2017	www.uneca.org/publications; NBS www.ons.gov.uk
Average Life expectancy rate	55/56 years (male/female) as of 2016	80/83 years (male/female) as of 2016	www.who.int/countries/nga/en/ www.who.int/countries/gbr/en/
Illiteracy		0	
GDP	$376.3 (2017)	$2.9 trillion	www.data.worldbank.org www.countryeconomy.com/countries/nigeria
GDP growth (annual %)	-1.617% as of (2016)		www.data.worldbank.org
GNI per capita in 2013	$5360	$35,760	www.who.int/countries/nga/en/ www.who.int/countries/gbr/en/
Unemployment rate	24.3% in 2014	4% in 2017	www.tradingeconomics.com www.uneca.org/publications
Currency	Naira	Pounds Sterling	www.qqfs.com www.uneca.org/publications
Economic Structure	Agriculture 23% of GDP Crude-oil 11% to GDP but 93% of exports	75% service	www.uneca.org/publications
National Language	English; Hausa, Ibo, Yoruba	English	www.qqfs.com www.uneca.org/publications

Appendix 8: The Nigerian Banking Industry – History, developments, and key issues

Banking and in particular commercial banking business in Nigeria predates 1900, however, there were no formal legislation governing operations until 1952 (Alford, 2010). British Bank of West Africa (BBWA) established in 1894 currently known as First Bank plc was the first banking institution that commenced banking operations in Nigeria, and Africa as well (www.firstbanknigeria.com). The BBWA was seconded by Barclays Bank in 1917 (also an expatriate bank) and thereafter, the emergence of what was the first indigenous bank, the National Bank of Nigeria 1933 (Alford, 2010). Other banks also followed suit and between 1947 and 1952, Nigeria has had 25 banks, however, only 4 of them remained in business while the other 21 all failed (Alford, 2010). Alarmed by those failures, the Nigerian government began to regulate banking operations in the country following the passage of the 1952 Act of parliament (Alford, 2010). The central bank Act of 1958 subsequently established the Central Bank of Nigeria (CBN) as an independent regulatory institution for banking business in Nigeria and the watchdog commenced full operations on 01 July 1959 (www.cbn.gov.ng; Alford, 2010). Amendments have been made to the 1958 Act of parliament in 1991, 1997, 1998, 1999 and 2007. The CBN Act of 2007 mandates the bank with the overall control, supervision, and administration of the monetary and financial sector policies in the Federal Republic of Nigeria (See details at www.cbn.gov.ng/aboutcbn/).

At independence from Britain in 1960, and a republic soon after (i.e.1963), the 1960s and 1970s saw the emergence of both expatriate and indigenous owned financial institutions (banks) in Nigeria. Another key development after the transition, however, was the promulgation of the Indigenous Enterprises Promotion Decrees of 1972 and 1977 that supported government ownership of significant interest in key institutions and sectors in the economy (Alford, 2010). Consequently, the government acquired 60% equity in expatriate banks including First Bank, United Bank for Africa and Union Bank and in fact dominated equity ownership of institutions in the industry except few until in the mid1980s (Ezeoha, 2007; Alford, 2010). However, in 1986, as a prerequisite to borrow from the International Monetary Fund (IMF), the then military government introduced the Structural Adjustment Programme (SAP) to reduce much of government regulation and tight control of the economy and thereby foster more economic liberalisation (Alford, 2010).

As a result of SAP, and an easier requirement for banking license that followed, there was evidently a surge in the number of banks operating in Nigeria. Alford (2010) reckon that between 1985 and 1992, the number of banks that operated in Nigeria rose from 40 to 120 banks, to date, one of the highest numbers recorded in the industry history. At the time, the National Deposit Insurance Corporation (NDIC) was also established to protect and insurance to depositors' funds. Since then, a number of more recent reforms and significant developments have also shaped the Nigerian banking industry. Discusses hereafter reflects on few relevant ones, three of which are core industry regulatory policies while the other is more generally reflects the politically induced policy of the FGN which is midwifed by and consistent with CBN agenda for robust and sustainable banking sector.

Bank Reforms and Consolidation

In the context of this study, Bank reforms generally refer to the Central Bank of Nigeria's programme and effort at different times to reposition and facilitate sound banking system, and robustness of the nation's economy. Speaking at the University of Warwick's Economic Summit, in 2012, Lamido Sanusi, the former Governor of the Central Bank of Nigeria explained "*the concern to ensure a sound banking system by the Central Bank is underscored by the critical role of banks in national economic development. Banks, for instance, mobilizes savings for investment purposes, which further generates growth and employment. The real sector, which is the productive sector of the economy, relies heavily on the banking sector for credit. Government also raises funds through the banking system to finance its developmental programmes and strategic objectives. It is in view of these strategic roles of the banking system to national economic development that the issue of a sound banking system, through proactive reforms becomes imperative"* (Sanusi, 2012:1).

A significant step towards banking reforms in the Nigerian banking industry began in 2004 through the then governor of the CBN Professor Charles Soludo's consolidation programme. In particular, the consolidation programme represents a policy directive of the CBN which raised the minimum paid up capital (or capital requirement) from 2 billion naira to 25 billion naira (Sanusi, 2010). The thrust of the programme was based on the need for recapitalisation and strengthening of existing banks at the time to drive the growth of the real sectors of the country's economy (Alford 2010; Sanusi, 2012). All 89 exiting banks at the time were urged to comply by the end of December 2005 (Alford, 2010). There are three key fallout of the consolidation policy which is necessary to the discussion here. First, it led to an important revelation, disclosure, and realisation of stakeholders about the extent of the vulnerable state of banks in Nigeria. The majority of those 89 banks were family-owned, having privately held equity and exhibited questionable management practices (Alford, 2010; Ezeoha, 2007). According to Alford (2010:4), the "industry was fragmented into relatively small, weakly capitalised banks with most having paid in capital of US$10 million or less while the best capitalised banks at the time had US$240 million". This was for the new CBN leadership a key concern, one that needed immediate steps to address, thus, raised the capital requirement.

Secondly, in an attempt to meet the paid in capital requirement, the policy led to a number of mergers and acquisitions among banks. The impact of the policy and relative outcome of the mergers and acquisition was a sweeping reduction of the number of banks from 89 commercial banks to 25 in 2005, later 24 (Sanusi, 2012) and currently 22 banks (cbn.gov.ng). Thirteen banks could not complete a negotiation for either merger or acquisition, and were unable to meet the December 2005 deadline and consequently had their operating license withdrawn (Ezeoha, 2007). Thirdly and on a positive note, was the key benefit of the policy which was the consolidation of banks to larger institutions. But notably, consolidation alone was not the ultimate solution to the problems of the industry as they were (Ezeoha, 2007) and not an end in itself (Sanusi, 2010). As such, Sanusi (2012) for instance reasoned that the unprecedented financial and economic crisis between 2007 and 2009 which led to global recession and the second round effect of the crisis on the Nigerian institutions and economy underscores the imperative of the CBN on behalf of the government of Nigeria to embark on banking reforms on a regular basis.

Holistic Investigation of Nigerian Banks

To support the consolidation effort and achievement of Soludo's administration, in 2009, the CBN under the leadership of Mallam Lamido Sanusi established a panel to further conduct a holistic investigation of the 24 surviving banks out the 25 post consolidation in 2005 to determine their solvency (Sanusi, 2012). The outcome of the investigation revealed that while some banks in the industry are financially sound, however, not less than 8 out of the 24 banks were technically insolvent (Alford, 2010). In particular, it was determined that the average percentage of Non-Performing Loan (NPL) in those 8 banks averaged about 40.81% and with those banks holding over 30% of total customers deposit in the industry, it represented significant systemic risk (Alford, 2010) to the nation's economy. Through proactive actions, those eight banks were quickly rescued by the CBN through capital and liquidity injection of 620 billion naira (Sanusi, 2010), after sacking and replacement of their top management and consequent prosecution of those who were identified to have committed infractions (Sanusi, 2012). Of course with less confidence of stakeholder, the CBN thereafter in a press statement declared "we have come to the end of the first phase of the process of restoring the financial sector stability" (CBN press statement cited in Alford, 2010:7).

More details as to what went wrong show that the relatively huge capital bases of banks after 2004/2005 consolidation, coupled with pressure to deliver substantial returns to shareholders fuelled reckless lending decisions, corruption and unethical practices at the board and executive management levels (Alford, 2010; Sanusi, 2010; Ezeoha, 2011) in many banks. Sanusi (2012) more succinctly captures the eight interrelated factors uncovered by that holistic investigation which he argued to have nearly collapsed the Nigerian financial system. In short, those findings prompted new reforms that focused on strict enforcement of corporate governance principles in banking, risk-focused and rule-based framework, greater transparency and expeditious process of rendition of reports/results (Sanusi, 2012). The succeeding sections will discuss a number of specific reforms that followed.

Corporate Governance and financial reporting

Another aspect of the CBN's key reforms recently was with respect to limiting the tenure of Banks CEOs to a maximum of ten years – a policy that the CBN enforced with retrospective effect. The policy also required that CEOs that have served their bank for more than ten years should resign at the latest by 31 July 2010 (Alford, 2010). Infractions traced to the leadership of those rescued banks made it necessary and a policy decision to protect the general public. The clear intent of the policy was to enhance corporate governance by preventing bank executives from what was considered as "sit-tight syndrome" and managing their banks as personal/private equity rather than publicly held institutions accountable to depositors, shareholders, the general public and government regulators (Alford, 2010). Despite mixed reaction which trailed the policy, this study also observed that Bank CEOs in the industry are now limited to a five year tenure in office, renewable only for another five years maximum.

Replacing the universal banking model with mono licensing regime

Until 2010, banks in Nigeria operated on what the CBN referred to as a universal banking model (UB) which allowed banks to diversify into non-bank financial businesses e.g. insurance (Sanusi, 2012). However, after the 2005 consolidation programme, the CBN observed that banks were awash with huge capital and that some operators were abusing the objectives of the model to the detriment of the core banking business (Sanusi, 2012). To address that fallout, the CBN reviewed and replaced the UB by issuing banks with a mono license, which authorises banks to focus on core banking operations only. Under the mono license banking regime, banks, for example, can only operate either (a) commercial banking (b) merchant (investment) banking (c) specialised banking e.g. microfinance, mortgage or non-interest banking, and (d) developmental finance institutions e.g. Agric bank. In short, the clear intent of replacing the UB model with the new model (or mono licensing model) was to encourage banks to focus on their core banking only (Sanusi, 2010; 2012) – a directive this study also confirms is now fully complied with by all banks in Nigeria.

Creation of AMCON

The Assets Management Corporation of Nigeria (AMCON) was established on July 19, 2010, following the promulgation of the enabling Act of the parliament (amcon.com.ng). The creation of AMCON was in response to the CBN finding from its investigation in 2009, to serve as a special purpose vehicle for addressing concerns over the ratio of non-performing loans (NPLs) in the industry and its effects on the liquidity of many banks (Sanusi, 2012). The stated mission of AMCON is to "positively impact and improve the economy of Nigeria by 1) complementing the recapitalisation of the affected Nigerian banks, 2) providing the opportunity for banks to sell off non-performing loans, 3) freeing up valuable resources and enabling banks to focus on their key activities, and 4) to propel the lending ideology in banks again" (amcon.com.ng). Pursuant to this 'mission' AMCON is said to have acquired non-performing risk assets worth about 1.7 trillion naira from the 8 insolvent banks; through that rescued the ailing banks, and averted what would have been another incident of bank failures in the country (Sanusi, 2012). Having also weaned the banks from the CBN support, consideration of the regulatory body entails that the banks are relatively strong enough to contribute to the real sector of the economy but until the recent crash in the price of crude oil.

Introduction of Treasury Single Account (TSA)

The central bank of Nigeria (CBN) introduced the Treasury Single Account (TSA) in 2015 as a cardinal policy of the Federal government and Buhari led Administration aim to ensure greater public sector revenue accountability, transparency and fight against corruption. The policy refers to the Federal government directives to all Ministries, Departments, and Agencies (MDAs) to move their accounts from banks to CBN (Central Bank of Nigeria Annual report, 2015; cbn.gov.ng, 2016). For bankers, the TSA policy had significant implications for them in terms of liquidity and operating capital as they had obligation to comply with the directives before the set September 2015 deadline (Central Bank of Nigeria Annual report, 2015) and under an environment already challenged by other macroeconomic meltdown (IMF). As earlier stated, before then, Nigerian banks not only enjoyed and relied mostly on huge revenues from crude oil both from MNEs and IOCs but also had in their books the public sector institutions as their highest depositors. In fact, it is also evident that most banks in Nigeria operated public sector banking as a substantive directorate.

A CBN circular dated 12th November 2015 nearly 2 months after the set deadline, cited by this study, is indicative of the difficult it was for banks to comply with the policy hence, a note of warning in the letter of severe penalties for any further delays and non-compliance. As of 2016 during the primary data collection by this research, comments by participants generally affirm that banks have fully complied with the policy. All banks examined by this research after the TSA policy came into force, through interviews, press releases and in their annual reports differently expressed sentiments on the adverse effects of the policy especially on the quality of and asset side of their balance sheet. However, there also claims to have largely navigated through the negative effects of these reforms to emerge stronger.

Appendix 9 – TSA Implementation Circular

CBN website: www.cbn.gov.ng

Ref: OFI/DIR/GEN/CIR/05/573 12th November, 2015

CIRCULAR

TO ALL CHAIRMEN, NON-EXECUTIVE DIRECTORS, MANAGING DIRECTORS, TOP MANAGEMENT STAFF, ALL OPERATORS AND EXTERNAL AUDITORS OF PRIMARY MORTGAGE BANKS AND DEVELOPMENT FINANCE INSTITUTIONS

IMPLEMENTATION OF THE TREASURY SINGLE ACCOUNT FOR FGN/MDAs' DEPOSIT BALANCES

Following the directive given by the Federal Government that all banks (including PMBs and DFIs) should transfer to the Central Bank of Nigeria all FGN/MDAs' deposit balances by 15th September, 2015, PMBs and DFIs were expected to have complied with the set deadline.

In the event that your institutions are still holding on to such deposits, you are required to immediately (from the date of this circular) transfer the balances to the Central Bank of Nigeria failing which severe penalties would be imposed for non-compliance.

AHMAD ABDULLAHI
Director, Other Financial Institutions Supervision Department
Central Bank of Nigeria, Abuja

Appendix 10: CBN Unified Accounting Year Circular

CENTRAL BANK OF NIGERIA

Financial Policy & Regulation Department
Central Business District
P.M.B. 0187
Garki, Abuja.

Tel: 09-46237404
E-mail: fprd@cbn.gov.ng

January 10, 2012

Ref: FPR/DIR/CIR/GEN/01/022

CIRCULAR TO OTHER FINANCIAL INSTITUTIONS (PRIMARY MORTGAGE INSTITUTIONS, MICROFINANCE BANKS AND FINANCE COMPANIES)

To avoid regulatory arbitrage and provide a level playing field for all operators, it has become necessary to adopt a uniform accounting year end in the Other Financial Institutions (OFIs) sub-sector. In this regard, the CBN circular number BSD/DIR/GEN/CIR/VOL.2/004 of June 18, 2009, requiring all banks and discount houses in Nigeria to adopt 31st December as a uniform accounting year-end from 2009 shall henceforth be applicable to OFIs.

For the avoidance of doubt, all primary mortgage institutions, microfinance banks and finance companies, are required to adopt 31st December as their accounting year-end with effect from December, 2012. Accordingly, directors of OFIs are hereby advised, as a first step, to pass a resolution to that effect and inform the relevant agencies in line with Section 334(4) of the Companies and Allied Matters Act (CAMA) 1990, as amended.

During the period of transition, a maximum accounting period of eighteen (18) months and a minimum of six (6) months are allowable, in line with accepted accounting practice. In the circumstance, OFIs whose accounting year end on 31st December, should as usual, forward their full year's accounts for CBN approval not later than four (4) months after the year-end. Those with year-ends between January and May, 2012 should submit the normal audited accounts (12 months) for CBN approval and thereafter, submit their audited accounts for the pro-rated period to 31st December, 2012 as follows:

S/No.	Current year-end dates	Period to 31st December 2012
1	31st January, 2012	11 months
2	29th February, 2012	10 months
3	31st March, 2012	9 months
4	30th April, 2012	8 months
5	31st May, 2012	7 months
6	30th June, 2012	Options of 12 months or 18 months
7	31st July to 30th November, 2012	Elongate to 31st December, 2012

The audited accounts for the pro-rated period should equally be submitted not later than four (4) months after the period-end for CBN approval and subsequent publication, in line with Section 27 & 28 of BOFIA, 1991 (as amended).

CHRIS O. CHUKWU
Director, Financial Policy & Regulation Department

Appendix 11 – Literature search result

analyze

Source Titles	records	% of 136
STRATEGIC MANAGEMENT JOURNAL	44	32.353
JOURNAL OF MANAGEMENT STUDIES	12	8.824
ORGANIZATION SCIENCE	11	8.088
JOURNAL OF MANAGEMENT	9	6.618
ACADEMY OF MANAGEMENT REVIEW	7	5.147
INDUSTRIAL AND CORPORATE CHANGE	7	5.147
MANAGEMENT DECISION	7	5.147
BRITISH JOURNAL OF MANAGEMENT	6	4.412
LONG RANGE PLANNING	6	4.412
ACADEMY OF MANAGEMENT JOURNAL	5	3.676
DECISION SCIENCES	4	2.941
STRATEGIC ORGANIZATION	4	2.941
INTERNATIONAL JOURNAL OF MANAGEMENT REVIEWS	3	2.206
JOURNAL OF MANAGEMENT ORGANIZATION	3	2.206
ORGANIZATION STUDIES	3	2.206
ACADEMY OF MANAGEMENT ANNALS	2	1.471
CALIFORNIA MANAGEMENT REVIEW	2	1.471

(0 Source Titles {0} {1} value(s) outside display options.)
(0(0.000%){0} records{1} do not contain data in the field being analyzed.)

LIST OF DEPOSIT MONEY BANKS AND FINANCIAL HOLDING COMPANIES OPERATING IN NIGERIA AS AT DCEMBER 29, 2017

COMMERICAL BANKING LICENCE WITH INTERNATIONAL AUTHORIZATION

	NAME OF INSTITUTION	HEAD OFFICE ADDRESS
1	ACCESS BANK PLC	999c, Danmole Street, Off Idejo Street, Off Adeola Odeku Street, Victoria Island, Lagos
2	DIAMOND BANK PLC	Plot 1261, Adeola Hopewell Street, Victoria Island, Lagos
3	FIDELITY BANK PLC	2, Kofo Abayomi Street, Victoria Island, Lagos
4	FIRST CITY MONUMENT BANK PLC	Primose Towers, 17a, Tinubu Street, Lagos
5	FIRST BANK NIGERIA LIMITED	Samuel Asabia House, 35 Marina, Lagos
6	GUARANTY TRUST BANK PLC	635, Akin Adesola Street, Victoria Island, Lagos
7	SKYE BANK PLC	3, Akin Adesola Street, Victoria Island, Lagos
8	UNION BANK OF NIGERIA PLC	Stallion Plaza, 36 Marina, Lagos
9	UNITED BANK OF AFRICA PLC	57 Marina, Lagos
10	ZENITH BANK PLC	Plot 84, Ajose Adeogun Street, Victoria Island, Lagos

COMMERICAL BANKING LICENCE WITH NATIONAL AUTHORIZATION

11	CITIBANK NIGERIA LIMITED	27, Kofo Abayomi Street, Victoria Island, Lagos
12	ECOBANK NIGERIA PLC	21, Ahmadu Bello Way, Victoria Island, Lagos
13	HERITAGE BANK LIMITED	292b, Ajose Adeogun Street, Victoria Island, Lagos
14	KEYSTONE BANK LIMITED	Keystone House, 1, Keystone Crescent, Victoria Island, Lagos
15	STANBIC IBTC BANK PLC	IBTC Place, Walter Carrington Crescent, Victoria Island, Lagos
16	STANDARD CHARTERED BANK LIMITED	142, Ahmadu Bello Way, Victoria Island, Lagos
17	STERLING BANK PLC	Sterling Towers, 20 Marina, Lagos
18	UNITY BANK PLC	Plot 42, Ahmed Onibudo Street, Victoria Island, Lagos
19	WEMA BANK PLC	Wema Towers, 54 Marina, Lagos Island, Lagos
20	SUNTRUST BANK NIGERIA LIMITED	1, Oladele Olashore Street, Victoria Island, Lagos
21	PROVIDUSBANK PLC	Plot 54, Adetokunbo Ademola Street, Victoria Island, Lagos