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COMPETENCE NETWORK APPLICATION AND ORGANIZATIONAL PRODUCTIVITY OF MULTINATIONALS IN NIGERIA

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ABSTRACT

This work examined the influence of competence network application on organizational productivity of multinational corporations in Rivers State, Nigeria. The study adopted the cross sectional explanatory survey research design. The population of this study consist of 50 multinational corporations operating in Rivers State, Using census sampling technique, a sample size of five (2) top managers in the Rivers State headquarters of each of the selected Multinational Corporations was sampled. After validation by the supervisor, 100 copies of structured questionnaire were administered while 92 copies were retrieved. The reliability of the instrument was ascertained using Cronbach alpha, while Spearman Rank Order Correlation was used for the bivariate analysis. The results showed that knowledge tools application influences measures of organizational performance such as improved production, improved market share, and client/shareholder satisfaction. The study concluded that increase in competence network application brings about corresponding improvements in the organizational performance of multinational corporations. Consequently, the study recommended among other things that all administrative offices should be equipped with functional state of the art desktop/laptop computer system, and other digital office resource to enhance the quality and speed of data processing across administrative offices.

Keywords: Competence, Network, Application. Organizational Productivity

INTRODUCTION

Nigeria is presently witnessing an emerging entrepreneurial development in various sectors of the economy which is mostly championed by the presence of multinational corporations. This presence of multinational corporations has been enhanced by the changes in the industrial societies brought about by an unprecedented speed, influenced mainly by globalization, technology, education, and social networking. The idea of multinational corporations has been around for centuries but in the second half of the twentieth century, multinational corporations have become very important enterprises (Ozoigbo & Chukuezi, 2017). Hill (2015) defines multinational corporations as any business that has productive activities in two or more countries. Multinational corporations are usually very large entities having a global presence and each with primary objective being maximization of profit at the lowest possible cost just like any other business organizations.

A typical multinational corporation normally functions with a headquarters that is based in one country, while other facilities are based in locations in other countries. They enter host countries in different ways and different strategies. Some enter by exporting their products to test the market and to find whether their existing products can gain sizeable market share. For such firms, they rely on export agents. These foreign sales branches or assembly operations are established to save transport costs because there is a limit to what foreign exports can achieve for a firm owing mainly to tariff barriers, quotas and cost of transportation. Most of the firms are encouraged by the low wage rates and other environmental factors. To meet the growing demands in the foreign countries, some of the firms consider other options such as licensing or foreign direct investment which are critical steps. Some even continue with export even when they have settled for the foreign direct investment option (Osuagwu & Ezie, 2013).

This work examined the influence of competence network application on organizational productivity of multinational corporations in Rivers State, Nigeria. The study adopted the cross sectional explanatory survey research design. The population of this study consist of 50 multinational corporations operating in Rivers State, Using census sampling technique, a sample size of five (2) top managers in the Rivers State headquarters of each of the selected Multinational Corporations was sampled. After validation by the supervisor, 100 copies of structured questionnaire were administered while 92 copies were retrieved. The reliability of the instrument was ascertained using Cronbach alpha, while Spearman Rank Order Correlation was used for the bivariate analysis. The results showed that knowledge tools application influences measures of organizational performance such as improved production, improved market share, and client/shareholder satisfaction. The study concluded that increase in competence network application brings about corresponding improvements in the organizational performance of multinational corporations. Consequently, the study recommended among other things that all administrative offices should be equipped with functional state of the art desktop/laptop computer system, and other digital office resource to enhance the quality and speed of data processing across administrative offices.

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Hypotheses

Ho_1: Competence networks application does not have any significant influence on improved production of Multinational Corporations in Rivers State.

Competence Networks Application

Competence is seen as the quality or state of having sufficient knowledge, judgment, skill, or strength, as for a particular duty or in a particular respect (merriam-webster.com/dictionary). Business Dictionary defines competence as a cluster of related abilities, commitments, knowledge, and skills that enable a person (or an organization) to act effectively in a job or situation. Competence indicates sufficiency of knowledge and skills that enable someone to act in a wide variety of situations. Because each level of responsibility has its own requirements, competence can occur in any period of a person's life or at any stage of his or her career.

According to Maaleki (2018), some scholars see competence as a combination of practical and theoretical knowledge, cognitive skills, behavior and values used to improve performance; or as the state or quality of being adequately or well qualified, having the ability to perform a specific role. For instance, management competency might include systems thinking and emotional intelligence, and skills in influence and negotiation. The aforesaid is similar the conceptualization of competence networks. The researcher had to make a paradigm shift from the traditional or known meaning of competence network or network competence as denote to be a network of consultants and expertise who supports the management of organizations suggesting, defining, implementing and improving different specific areas of specializations or departments in the organization as tied to their career advancement or profession. It is also a network of experts or practitioners of a given field of study with the aim to proffer solutions and betterment to the field they emerged from.

Competence networks is becoming a global concern as experts of similar fields converged together to advance a given field of knowledge, skills and ideas. All these are geared towards the effective and efficient attainment of organization's predetermined goals and objectives. Competence network is different from a body governing a specific profession. It is more internal to the operations of an organization. For example, in some Pentecostal churches today like Living Faith church, Salvation Ministries, The Redeemed Christian Church of God, and Hilltop International Christian Centre are organizationally inclined in the management of knowledge as they group units like medical and legal units to the extent that members who operate in such forum must have professional ties as regards the units. This is adopted because they tend to serve the organization better thus enabling them achieve their goals and objectives. Competence networks here could be seen in community of practice, work committee and quality assurance unit.

Consequently, due to the significance of competence, networks organizations are beginning to group their expertise in cluster so as to proffer solutions to problems relating to such field of knowledge. Sometimes, top management saddled them with the responsibility to draw programmes and projects for the operation and benefits of the organization's vision, mission, goals and objectives. Competence networks are primarily constituted in organizations to deal with the analysis and systematic transfer of constructional principles and problem solving of nature into technical applications within or outside the workplace. Structurally, large organizations are departmentalized in nature. This gives them a clear drive to initiate a competence network where experts in the respective departments would form individually form a network of professionalism so as to think tank a way forward for the growth and development of the organization. Traditionally, research department was created in some organizations, but global competition among business firms has unleashed a tunnel for maximum expertise in the practice of business. And this is the competence network. Finally, competence network bundles the competences of formidable business functionaries who work research groups to help suggest to management on the way forward as regards a situation or a futuristic event.

Community of Practice

According to Michael (2016), community of practice are professional communities where members are united by a common sphere of activity, a shared project, or a common goal. It also refers to an organized group of professional people who share the same interests in resolving an issue, improving skills, and learning from each other's experiences (Luis, 2019). Professionals in the community of practices are informally bound to one another through exposure to a common class of problems, common pursuit of solutions and thereby themselves embodying a store of knowledge (Stewart 2011 in Botha, Kourie, & Snyman, 2018).

From the definitions above as regards community of practice, there are salient features every community of practice must have, as it entails the following:

1. **The domain:** members are brought together by a learning need they share (whether this shared learning need is explicit or not and whether learning is the motivation for their coming together or a by-product of it)
2. **The community:** their collective learning becomes a bond among them over time (experienced in various ways and thus not a source of homogeneity)
3. **The practice:** their interactions produce resources that affect their practice (whether they engage in actual practice together or separately).

Work Committees
Work committees are committees of labor representatives within companies which consult with management and may even have certain decision-making powers. It is also called work council. It is a council composed of both employer and employees convened to discuss matters of common interest concerning a factory, plant, business policy, etc, not covered by regular trade u nion agreements. It is also body representing the workers of a plant, factory, etc, elected to negotiate with the managemen t about working conditions, wages, etc.(www.thefreedictionary.com). They take on a number of forms, but in general they are seen as democratic bodies that give voice to worker concerns and interests. In their strongest form, work councils are said to have codetermination rights with management in some areas of corporate policy. In the broader context, works councils are conventionally credited with reducing labor conflicts and promoting harmonious labor practices, particularly concerning changes in the workplace. Work committees are the operating system of an association. Committees involve members in the development and delivery of services, represent member opinion in decision-making, and help serve member needs through interaction. They also offer the opportunity for group problem-solving and can be a forum for presenting multiple points of view. Committees are also the training ground for future leadership and an arena where emerging leaders can test and refine their skills and abilities. For these reasons, committee effectiveness is critical to chapter operations (Philips, 2016).

Improved Product Quality
Improved product quality denotes product's fitness for use, consistent, conformance to consumer's needs, or poor/inferior quality of raw material entering into the plant/enterprise or improper techniques/method and processes being followed in the plant **(**Minakshi, 2018**).**
The continuous attention and implementation of these eight dimensions by management engenders improved product quality. Improved product quality is a continuous effort to meet or exceed customer expectations. A product that has a quality that meets the standards of quality that have been determined, and quality is a continually changing condition as the consumer's taste, or expectation of a product is always changing tends to be improved in nature. Therefore, the better quality change and improvement are meant to keep the product created to a standard that has been set for consumers to lose confidence in the product concerned. Quality is a factor in a product that causes the product to be worth the purpose of what the product is producing (Juwita, Sukaria, & Khaira, 2019).

Finally, improved product quality is the extent to which the product or service meets its prevailing specifications. The consistency of the quality of a product or service can contribute to the success of a company reviewed from customer satisfaction, employee satisfaction, and company profitability. The more improved product quality is prioritized by management, the higher the services provided, the higher the customer satisfaction. When customer satisfaction is higher, it can generate profit for the business entity. Satisfied customers will continue to make purchases on the business entity. That is, if analyzed further, between long-term quality and profit is seen in 2 (two) things, namely external profit factor derived from customer's fraud and internal gain derived from improved product or service efficiency. According to Sviokla in Juwita et al (2019), such external benefits may have implications in the production process of goods or services, i.e., the quality of the product or service provided by the company can create a positive perception of the customer against the company and generate a satisfaction and customer loyalty.

Product Diversification

In the Business dictionary Product diversification has been defined as the process of expanding business opportunities through the additional market potential of an existing product. Diversification will be achieved by entering into additional markets and also by pricing strategies. Also can the product be improved, adapted or changed, or new marketing activities can develop. The planning process admits market research, product adjustment analysis and legal reviews (Business dictionary, 2018). Also diversification defined the growth strategy of business markets new products in new markets. Its strategy has a risk because the business is displacing into a new market area in which it has less experience. Therefore business needs to have a clear mind about what will carry to gain from the strategy (Jayathilake, 2018). There are the potential effects of product diversification on the performance of the firms (Osorio, Guerras, & Jose, 2012). The results from numerous studies that have investigated the relationship between diversification and firm performance have been mixed (Lei & Schmit, 2010).

Product diversification involves the addition of new products to existing products either being manufactured or being marketed. It is also defined by as the development of a firm beyond the present product and market but still contains the broad confines of the industry value chain (Waheed, Arshad, & Kashif, 2017).

Product Rebranding

Rebranding is all about creating new image and position in consumer's mind and establishing a new name, slogan, tagline or design (Muzellec & Lambkin 2016). To this end, product rebranding is all about creating new image and position in consumer's mind and establishing a new name, slogan, tagline or design of a product. Here, the product tends to have modified or new features in order to appeal customers towards patronage. Product rebranding permeates platforms for the reposition of a product in an appealing manner before its customers or consumers. In a product, rebranding can be applied to new products, mature products, or even products still in development. The process can occur intentionally through a deliberate change in strategy or occur unintentionally from unplanned, emergent situations.

To maintain a product brand and customer loyalty, rebranding has to become one of the important strategies to be successful and to attain product brand values. Marketers consider product rebranding as an effective way to restore the obsolete product brand and considering product rebranding the solution to face market challenges and competitions facing the an existing product or an new intended product (Petburikul, 2015). Rebranding has two dimensions that are evolutionary and revolutionary. Evolutionary rebranding defines minor changes in product or brand positioning while revolutionary reflect major change in brand's positioning, usually in the form of design name or logo (Muzellec & Lambkin, 2016). Rebranding can be proactive or reactive. Proactive product rebranding occurs when companies wants to grasp future opportunities and productive growth while reactive rebranding occurs in reaction to events (Gunelius, 2013). Koku in Sundus and Naintara (2014) describes several reasons for rebranding. He says that more companies are now going for rebranding and the reasons can be merger and acquisition, new line of business or to attain more competitive advantages. Goi and Goi (2017) said that rebranding makes a totally new image of the product and old identity is usually forgotten.

Diffusion of Innovation Theory

This was postulated by Roger in 1962, with the following assumptions:

i) In a social system, there will always be a disparity in the level and time at which individuals within a given social system adopt new ideas, techniques, and technology.
ii) Individuals and arms of institutions that adopt innovations early will naturally outperform late adopters and the laggards (Odu, 2017).

The implication of this theory is that as organizational communication would be effective and efficient when there is ample adoption of knowledge management strategies and tools among its workforce (social media tools, video tools and acquisition/preservation tools and competence networks) among multinational companies, organizational performance would be enhanced through content improved production, improved market share and client/shareholder satisfaction. In the multinational companies, among others, top management, middle management and first line management are advised to adopt knowledge management tools in their respective designations and departments. The fact is that management who fail to harness organization's operations through the adoption of knowledge management tools are bound to face difficulties carrying their tasks and responsibilities especially in today's business setting where technology is speedily shaping the conduct of business, permeating slow operations, high level inefficiency, and negative stress, while those who embrace and adapt emerging knowledge management tools enjoy speed, efficiency, effectiveness in performance (improved production, improved market share and client/shareholder satisfaction). However, these theoretical assumptions have not been adequately tested and verified among multinational corporations in Rivers State of the country Nigeria even at a time where application of knowledge management tools is metaphorically on the increase. There is need therefore, to empirically investigate how knowledge management tools influences the organizational performance of multinational corporations in Rivers State of Nigeria.

Research Design
The study adopted the Explanatory Cross-sectional Survey design.

Research Population
Considering the fact that the criterion (organizational performance) occurs at the organizational level (macro level) rather than employees' performance (micro level), the population of the study consisted of fifty (50) Multinational Corporations operating in Port Harcourt, Rivers State. Data regarding the population of this study was obtained from Corporate Affairs Commission in Port Harcour. The researcher chose two (2) top level managers which included the General Manager and Information Technology Manager. The convenient selection of two (2) top managers across the fifty (50) multinational corporations gave a total of one hundred (100) respondents.

Method of Data Analysis
The presentation and analysis of data/results were done using Statistical Package for Social Science (SPSS) Version 22.0. The analysis of data to test the hypotheses analysis was done using Spearman Rank Order Correlation.

Results

Competence Networks Application and Organizational Performance

Ho$_1$: Competence networks application does not have any significant influence on improved production of Multinational Corporations in Rivers State.

Correlation Between Competence Networks Application And Organizational Performance

	Predictor	Criterion

		Competence Networks Application	Improved Production	
Competence networks application	Rho	1.000	.721**	.
	Sig.	.	.000	
	N	92	92	

Source: SPSS Output from Field Data (2019).

Column four of table 1 above shows a correlation value of 0.721 at a significance level of 0.00 which is less than the chosen alpha level of 0.05 for the hypothesis relating to competence network and improved production. Since the significance value is less than the alpha level of 0.05, the null hypothesis (Ho_1) which states that competence network does not have any significant influence on the improved production of Multinational Corporations in Rivers State was rejected. This indicates that there is a significant correlation between competence network and improved production. With a correlation value of 0.721, the result reveals that competence network has a strong/high positive influence on improved production of Multinational Corporations in Rivers State. This equally implies that increase in competence network brings about significant increase in the production of Multinational Corporations in Rivers State, Nigeria.

CONCLUSIONS

The study therefore concluded that increase in competency network application brings about corresponding improvements in the organizational productivity of multinational corporations. The study also concluded that multinational corporations who fail to continuously embrace competency network application may not perform considerably in terms of production, market share, and client/stakeholders' satisfaction.

RECOMMENDATIONS

Based on the conclusions, the following recommendations were made:

1. Various group of professionals in the organization should constitute community of practice to enable them create and share professional updates that will contribute to the continuous improvement of product and service delivery.
2. There should be serious collaboration among various knowledge management machineries such as community of practice, work committees, and quality assurance unit to ensure that products and services.
3. Customer service units of Multinational Corporations should collaborate with communities of practice, quality assurance units, and other knowledge management machineries. Such collaboration will help them to innovate ways of improving customers' experience thereby giving rise to client/customers satisfaction.
4. More investment should be done on organizational technological infrastructure ranging from basic office information systems to cloud computing facilities ensure the smooth flow of knowledge resources across all arms of the organization. The availability of functional internet connectivity, cloud computing services, and basic office tools such as laptops, printers, etc. will smoothen the knowledge management process which will in turn boost organizational performance.

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