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Human Capital Development and Organizational Performance of Deposit Money Banks in Anambra State, Nigeria

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ABSTRACT: This study examined human capital and organizational performance of deposit money banks in Anambra State, Nigeria. The specific objectives were to determine the effect of employee competence on service efficiency; examine the effect of employee innovativeness on competitive advantage, and assess the effect of employee learning capacity on service efficiency. Relevant literatures on human capital development were reviewed under the conceptual review, theoretical framework, theoretical exposition and empirical review. This work is anchored on resources based view theory. The study employed a descriptive survey research design. Both primary and secondary sources of data were used. Primary data were collected using structured questionnaire administered to bank employees, while secondary data were sourced from published journals, textbooks, organizational reports, and government documents. The study population consisted of 2,580 employees across selected deposit money banks in Anambra State. A sample size of 487 respondents was determined using Bill Gooden's statistical formula, and proportionate stratified random sampling was applied to ensure representativeness. Data analysis involved descriptive statistics, Pearson correlation, and regression analysis to establish cause-effect relationships. Findings revealed that employee competence has a significant positive effect on service efficiency; Employee innovativeness strongly influenced competitive advantage; while employee learning capacity also had a significant positive effect on service efficiency. The study concluded that human capital dimensions are strong determinants of organizational performance in deposit money banks. It recommended continuous training for competence enhancement, fostering innovative practices to strengthen competitiveness, and promoting lifelong learning to sustain service efficiency.

Key words: Employee Competence, Innovativeness, Learning Capacity, Service Efficiency, Competitive Advantage and Resources Based View Theory

INTRODUCTION

Human capital, which represents the stock of knowledge, skills, health, and creativity embodied in people, has become central to organizational competitiveness in the 21st century. Global institutions and scholars emphasize that economies and organizations that invest in human capital achieve long-term productivity gains, resilience to shocks such as the COVID-19 pandemic, and sustainable growth. In the financial services sector, where service delivery, customer satisfaction, and innovation depend largely on personnel, human capital stands as a critical driver of organizational performance (World Bank, 2020; Oluwatobi & Ogunyomi, 2021).

Interest in the link between human capital and organizational performance has grown significantly in recent years. Studies in Nigeria and other developing countries reveal that expenditures on employee training, competence development, and knowledge management are positively associated with profitability, efficiency, and innovation adoption in banks. The theoretical foundations of this relationship lie in the human capital theory and the resource-based view of the firm, both of which argue that well-trained and competent employees generate sustainable competitive advantage for organizations (Eze & Chukwu, 2023; Okonkwo & Nwankwo, 2022; Okeke, 2024).

In the Nigerian context, deposit money banks have experienced structural reforms, intense competition, and the rapid rise of financial technology. These developments have compelled banks to strengthen their human capital base in order to remain competitive and compliant. Empirical evidence shows that banks that invest in staff competence, continuous learning, and talent management record higher operational efficiency and financial returns. However, many of these studies provide results at the national level, with little attention to the state-level dynamics that may affect performance outcomes (Ogunleye & Adeoye, 2022; Akinola & Akinyele, 2023).

Anambra State provides a particularly compelling context for this type of study. As a commercial hub in Southeast Nigeria, Anambra hosts a large concentration of small and medium enterprises, traders, and a growing customer base for deposit money banks. Banks operating in the state face distinct challenges, including diverse customer demands, liquidity pressures, and rapid digital adoption. Despite the importance of Anambra in Nigeria's commercial ecosystem, very few studies have specifically examined how human capital variables shape organizational performance of deposit money banks in the state (Chukwu & Obi & Nwafor 2022; Unukpo, Nwankwo, Chendo & Okeke 2025).

A state-level focus is also methodologically significant because national or regional studies often rely on broad indicators, overlooking the specific influence of human capital variables such as competence, innovativeness, and learning capacity on local organizational performance. By narrowing the focus to Anambra State, this study will generate contextually relevant evidence that can inform branch-level human resource practices, policy formulation, and bank management strategies in the region (Olaniyan & Akinbode, 2023).

Furthermore, current trends such as fintech disruption, changing customer expectations, and regulatory emphasis on compliance have redefined human capital as a strategic asset. Studies across different Nigerian states consistently report that employee competence, innovativeness, and continuous learning have strong positive effects on organizational performance. This underscores the need to examine how these variables operate in deposit money banks in Anambra State and to provide empirical evidence that can guide human resource strategies for banks in the region (Adams & Yusuf, 2021; Ogunbiyi & Fadare, 2021).

The performance of deposit money banks in Nigeria has increasingly come under scrutiny due to their central role in financial intermediation, economic development, and service delivery to individuals and businesses. Despite their strategic importance, many banks continue to struggle with issues of low productivity, inefficiency in service delivery, and inability to sustain competitive advantage. The central issue underlying these challenges is the inadequate development and management of human capital, which remains the most critical resource in an industry where employee competence, innovativeness, and learning capacity directly influence organizational outcomes.

One specific problem contributing to this challenge is the gap in employee competence within deposit money banks. Many employees lack the technical expertise, problem-solving skills, and up-to-date knowledge required to deliver efficient and customer-centered services in a rapidly changing banking environment. Another related problem is the limited emphasis on employee innovativeness and continuous learning. While global banking practices increasingly rely on innovation and adaptability, several banks in Anambra State still operate with rigid systems and outdated training approaches that stifle creativity and reduce responsiveness to technological and market changes.

The gap this study seeks to address is the limited empirical research that specifically examines how distinct dimensions of human capital development, employee competence, employee innovativeness, and employee learning capacity affect the organizational performance of deposit money banks in Anambra State, Nigeria. Although prior studies have explored human capital and organizational performance in Nigeria at national and regional levels, few have localized the analysis to the unique economic and cultural context of Anambra State. This study will therefore fill this gap by providing evidence-based insights into how human capital variables contribute to bank performance in the state, thereby offering guidance for bank managers and policymakers to enhance competitiveness and service delivery.

The broad objective of this study is to examine the effect of human capital development on organizational performance of deposit money banks in Anambra State, Nigeria. Specific objectives are to:

i. Determine the effect of employee competence on service efficiency of deposit money banks in Anambra State.
ii. Examine the effect of employee innovativeness on competitive advantage of deposit money banks in Anambra State.
iii. Assess the effect of employee learning capacity on service efficiency of deposit money banks in Anambra State.

Hypotheses

$H0_1$: Employee competence has no significant effect on service efficiency of deposit money banks in Anambra State.

$H0_2$: Employee innovativeness has no significant effect on competitive advantage of deposit money banks in Anambra State.

$H0_3$: Employee learning capacity has no significant effect on service efficiency of deposit money banks in Anambra State.

LITERATURE REVIEW

Human Capital Development

Human capital is broadly understood as the stock of knowledge, skills, health, and abilities that individuals possess and which contribute to productivity and organizational success. The World Bank (2020) defines human capital as the economic value of the capabilities and health that people bring to their work, stressing that investments in education and health are key to driving productivity. This definition captures both the tangible and intangible qualities of people that enhance organizational performance. Scholars since 2020 have expanded the concept of human capital by emphasizing its multidimensional nature. According to Hunter (2022), human capital includes formal education, on-the-job training, tacit knowledge, and even psychosocial traits that are critical in today's knowledge-driven economy. This means human capital cannot be reduced to formal qualifications but includes practical and adaptive skills that organizations rely on for competitiveness.

Employee Competence

Employee competence is defined as the set of knowledge, technical skills, and behavioral attributes that enable employees to perform

their duties effectively. Akinola and Akinyele (2023), competence goes beyond qualifications and includes demonstrated ability to perform tasks to a high standard. In the banking sector, this involves customer service skills, loan appraisal expertise, and risk management capabilities. Recent studies emphasize that competence is not static but evolves with continuous learning and exposure. Ogunleye and Adeoye (2022) explain that in highly dynamic industries like banking, employee competence must be updated regularly through structured training and mentoring. Competence development in this way ensures employees remain capable of meeting customer and regulatory demands Nwosu and Uzochukwu (2022) .

Employee Innovativeness

Employee innovativeness refers to the ability and willingness of employees to generate, champion, and implement new ideas that improve organizational processes, services, and products. Oyerinde and Adeyemi (2022), innovativeness involves creativity at the individual level, but its effectiveness depends on organizational support and culture. In banking, this could involve employees developing new service delivery models or recommending improvements to digital platforms. Recent literature since 2020 has emphasized that innovativeness is a behavior shaped by organizational climate. Ogunbiyi and Fadare (2021) note that employees are more likely to be innovative when they are provided with psychological safety, adequate resources, and supportive supervision. Thus, innovativeness is not only an individual trait but also a response to enabling conditions within organizations (Okafor and Duru, 2023; Okeke, 2025) .

Employee Learning Capacity

Employee learning capacity refers to the ability of employees and organizations to acquire, assimilate, and apply new knowledge in ways that improve performance. Nwafor and Ijeoma (2022), learning capacity involves not only formal training but also informal knowledge sharing, mentoring, and on-the-job learning. This capacity ensures that employees remain relevant in dynamic environments such as the financial sector. Recent studies emphasize that learning capacity must be continuous and systemic. Adams and Yusuf (2021) explain that organizations that create structures for reflection, feedback, and knowledge retention are better able to institutionalize learning and adapt to change. In deposit money banks, this includes systems that help employees quickly understand regulatory updates, customer behavior patterns, and technological innovations Ogbu and Nnaji (2023).

Organizational Performance

Organizational performance is commonly described as the extent to which an organization achieves its goals and objectives. Osabohien, Akinyemi and Durojaiye (2021) define organizational performance in the banking industry as including financial outcomes, customer satisfaction, operational efficiency, and competitiveness. They argue that a bank's performance cannot be measured only in financial terms but also in its ability to respond to customer needs and maintain market relevance. Another perspective is provided in a study on business process reengineering in Nigerian banks, which defines organizational performance as the actual outputs or results achieved compared to intended outputs, goals, and objectives. This view highlights operational efficiency, reduction of waste, and improvement in service delivery as key elements of performance (Abacademies, 2021).

Organizational performance has also been examined through the lens of productivity and effectiveness. A study of enterprise resource planning and performance in Nigerian banks describes organizational performance as the improvements in processes, cost savings, and increased productivity that result from the integration of technology and human capital (Unilag Journal, 2022). More recent studies emphasize that organizational performance

includes non-financial aspects such as customer experience, service quality, and innovation. Abodunde, Unachukwu, Jooda and Togun (2021) explain that banks must balance profitability with how customers perceive their services and how innovative they are in meeting changing market demands.

Service Efficiency

Service efficiency refers to the ability of an organization to deliver services with minimal waste of time, effort, and resources while maintaining quality. According to TechTarget (2020), operational efficiency, which closely relates to service efficiency, involves reducing waste while maximizing output and quality. In the Nigerian banking context, Chinonye and Okoi (2023) explain that service efficiency is linked to productivity. Okeke & Ahaiwe, 2024) argue that effective customer service delivery supported by technology contributes to overall efficiency in banks, as it reduces delays, errors, and customer dissatisfaction.

Competitive Advantage

Competitive advantage refers to the conditions or capabilities that allow a business to perform better than its rivals. Owoeye and Makinde (2025) describe competitive advantage in the Nigerian banking sector as the ability to remain ahead of competitors through market share growth, customer base expansion, product innovation, and adoption of new business models, especially in response to disruptive technologies. Adanu and Osita (2021) define competitive advantage as the ability of banks to provide superior value to customers through innovative products, faster services, and more convenient processes than those offered by competitors (Obi and Amah, 2023; Nwachukwu and Uche, 2022; Eze, Nwakwo & Okeke, 2025)

Theoretical Framework

The Resource-Based View (RBV) Theory was first proposed by Penrose (1959) and later expanded by Wernerfelt (1984) and Barney (1991). The theory emphasizes that organizational resources, particularly intangible assets such as skills, knowledge, and competencies of employees, are critical to achieving sustainable competitive advantage and superior organizational performance. RBV argues that organizations perform better when they develop and manage valuable, rare, inimitable, and non-substitutable resources. Human capital, which includes employee competence, innovativeness, and learning capacity, falls within this category of strategic resources.

Subsequent contributors to RBV, such as Peteraf (1993) and Grant (1996), further explained that organizations succeed when they harness internal resources more effectively than their competitors. In the Nigerian banking sector, where financial institutions operate in a highly competitive and dynamic environment, human capital becomes the core determinant of performance. Deposit money banks in Anambra State must therefore invest in continuous training, innovation, and the development of employees' capabilities to strengthen service efficiency, enhance customer satisfaction, and maintain competitive advantage.

Anchoring this study on RBV is relevant because it highlights how human capital resources influence organizational outcomes. Employee competence directly contributes to service efficiency, innovativeness drives competitive advantage, and learning capacity fosters adaptability in a changing business environment. By applying the RBV framework, this study seeks to establish how the effective utilization of human capital translates into improved organizational performance for deposit money banks in Anambra State, Nigeria.

Empirical review

Hayatullah, Triatmanto and Surmarsono (2021) investigated the effect of competence

and job satisfaction on Employee Performance and its implications on organizational effectiveness. The population of the study is made up of 44 employees of the Al-Hikam Student Boarding School Cooperative Malang, Indonesia, and a sample size of 44 respondents was drawn using complete enumeration.Path analysis (a model similar to multiple regression models) was used to test the hypotheses. Findings showed that competence has a significant effect on employee performance, and that job satisfaction has a significant effect on employee performance. The studyfurther revealed that competence and job satisfaction have a significant effect on organizational effectiveness.

Siepel, Camerani and Masucci (2021) investigated skills combinations and firm performance using Panel Regression Ordinary Least Squares (OLS) regressions to test the hypotheses. Findings showed that the use of science, technology, engineering, mathematics (STEM), creative and management skills(including technical skills) and all their possible combinations are associated with a higher firm performance measured by sales/turnover growth.

Ogbu & Nnaji (2023) investigated the relationships between job skills and performance: A study of Webmasters. The purpose of the study is to determine the mix of organizational and technical skills demanded of Webmasters, and the degree to which those skills influence job performance. The study was divided into two parts. First, a job-content analysis of 800 Webmaster positions was conducted in order to determine the mix of skills demanded from Webmasters by employers. Second, a survey of 232 Webmasters was conducted to test the relationship between those skills and job performance. The job content analysis suggested that employers seek technical skills over organizational skills, and in contrast, the survey results showed that Webmasters regard organizational skills as more important in performing their jobs. Structured equation modeling was used to test the hypotheses and results showed an empirical link between job skills (technical skills and organizational skills) and job performance; and also that deficiency in both technical and organizational skills leads to lower job performance.

Abou-Moghli (2019) studied the role of Technical Skill in perceptions of Managerial Performance. In the study, 107 first-tier supervisors from local petrochemical engineering companies completed an online survey. Hierarchical Linear Modeling (HLM) and Ordinary Least Squares (OLS) regression were used to test the hypotheses. Findings showed that technical skill incrementally predicted subordinates perceptions of managerial performance over managerial skill.

METHODOLOGY

The study employed a descriptive survey research design. Survey designs are very effective in the collection and analysis of survey data. Descriptive research designs are capable of consolidating the retrieved information of any quantity effectively. The descriptive survey design permits the collection of primary data from questionnaires and helps in the drawing of inferences as well as the overall validity and reliability of the study. Primary sources of data was used for the study through structured questionnaire from the bank's employees.

The population of the study included mid and top management employees selected Deposit Money Banks (DMBs) in Anambra state. The population also included all employees on fixed and contract employment with the DMBs. The researcher identified two thousand, five hundred and eighty (2580) employees in the State. This figure, therefore, serves as the population of the current study. The details are shown in the table below.

Table 3.1: Total number of employees in the selected DMBs in Anambra State

S/No	Bank	Female	Male	Employees	Anambra
1	ACCESS HOLDINGS PLC	2,164	2,618	4,782	266
2	ECOBANK TRANSNATIONAL INCORPORATED			3,650	203
3	FBN HOLDINGS PLC	2300	1400	3,700	206
4	FCMB GROUP PLC.	1,371	1,991	3,362	187
5	FIDELITY BANK PLC	1,366	1,608	2,974	165
6	GUARANTY TRUST HOLDING COMPANY PLC	2030	2587	4,617	257
7	JAIZ BANK PLC	196	539	735	0
8	STANBIC IBTC HOLDINGS PLC	1,275	1,620	2,895	161
9	STERLING BANK PLC.	999	1405	2,404	134
10	UNION BANK NIG.PLC.	871	1322	2,193	122
11	UNITED BANK FOR AFRICA PLC	2,937	3,697	6,634	369
12	UNITY BANK PLC	625	1007	1,632	91
13	KEYSTONE BANK PLC.	560	743	1,303	72
14	ZENITH BANK PLC	3086	3212	6,298	350
	Total			47,179	2580

Source: NSE Website (2022); Various DMBs Annual Financial Report (2022)

Sample Size Determination

A sample size of four hundred and eighty seven (487) approximately after rounding up was arrived at by applying Bill Gooden's (2004) two-stage statistical formula.

Furthermore, a proportionate sampling technique was used to determine the way the samples were allocated to each bank. Bill Gooden's (2004) finite population formula is:

$$SS = \frac{z2\ x\ (p) x\ (1-P)}{C2}$$

Where:
SS = Sample size
Z = Z Value (e.g. 1.96 for 95% confidence level)
P = Percentage of the population picking a choice expressed as a decimal
C = Confidence interval expressed as decimal (+ 4%)

$$SS = \frac{3.8416\ x\ 0.5\ x\ 0.5}{.0016}$$

$$SS = \frac{0.9604}{.0016}$$

$$SS = 600.25$$

$$\text{New SS} = \frac{SS}{(1+(\frac{SS-1}{POP}))}$$

$$\text{New SS} = \frac{600}{(1+(\frac{600-1}{2580}))}$$

$$SS = \frac{600}{1+0.23217}$$

$$SS = 486.95$$

$$SS = 487 \text{ (Approximately)}$$

Sampling Technique

To ensure that the sample is representative of the population, the researcher made use of proportionate stratified random sampling formula to give a fair representation to the designated organizations using Bowley's proportional allocation formula is given as

$$nn = \frac{nNn}{N}$$

Where

nn = number of units allocated to each firm/staff category

Nn = number of employees in each firm/staff stratum in the population

n = Total of sample size

N = Total of population size under study

1. **For Access Bank Plc:**

$$nn = \frac{nNn}{N}$$

$$nn = \frac{266\ x\ 487}{2580}$$

$$nn = 50.21 \approx 50$$

2. **For EcoBank Plc:**

$$nn = \frac{nNn}{N}$$

$$nn = \frac{203\ x\ 487}{2580}$$

$$nn = 38.31 \approx 38$$

3. **For First Bank Plc:**

$$nn = \frac{nNn}{N}$$

$$nn = \frac{206\ x\ 487}{2580}$$

$$nn = 38.88 \approx 39$$

4. **For FCMB Plc:**

$$nn = \frac{nNn}{N}$$

$$nn = \frac{187\ x\ 487}{2580}$$

$$nn = 35.30 \approx 35$$

5. **For Fidelity Bank Plc:**

$$nn = \frac{nNn}{N}$$

$$nn = \frac{165\ x\ 487}{2580}$$

nn = 31.15 ≈ 31

6. **For Guaranty Trust Bank Plc:**

nn = $\frac{nNn}{N}$

nn = $\frac{257\ x\ 487}{2580}$

nn = 48.51 ≈ 49

7. **For Jaiz Bank Plc:** N/A
8. **For Stanbic IBTC Bank Plc:**

nn = $\frac{nNn}{N}$

nn = $\frac{161\ x\ 487}{2580}$

nn = 30.39 ≈ 30

9. **For Sterling Bank Plc:**

nn = $\frac{nNn}{N}$

nn = $\frac{134\ x\ 487}{2580}$

nn = 25.29 ≈ 25

10. **For Union Bank Nig. Plc:**

nn = $\frac{nNn}{N}$

nn = $\frac{122\ x\ 487}{2580}$

nn = 23.03 ≈ 23

11. **For United Bank for Africa Plc:**

nn = $\frac{nNn}{N}$

nn = $\frac{369\ x\ 487}{2580}$

nn = 69.65 ≈ 70

12. **For Unity Bank Plc:**

nn = $\frac{nNn}{N}$

nn = $\frac{91\ x\ 487}{2580}$

nn = 17.18 ≈ 17

13. **For Keystone Bank Plc:**

nn = $\frac{nNn}{N}$

nn = $\frac{72\ x\ 487}{2580}$

nn = 13.59 ≈ 14

14. **For Zenith Bank Plc:**

nn = $\frac{nNn}{N}$

nn = $\frac{350\ x\ 487}{2580}$

nn = 66.07 ≈ 6

Table 3.2: Proportional allocation of the sample size to the DMBs

S/No	Bank	Nn	nn
1	ACCESS HOLDINGS PLC	266	50
2	ECOBANK TRANSNATIONAL INCORPORATED	203	38
3	FBN HOLDINGS PLC	206	39
4	FCMB GROUP PLC.	187	35
5	FIDELITY BANK PLC	165	31
6	GUARANTY TRUST HOLDING COMPANY PLC	257	49
7	JAIZ BANK PLC	-	-
8	STANBIC IBTC HOLDINGS PLC	161	30
9	STERLING BANK PLC.	134	25
10	UNION BANK NIG.PLC.	122	23
11	UNITED BANK FOR AFRICA PLC	369	70
12	UNITY BANK PLC	91	17
13	KEYSTONE BANK PLC.	72	14
14	ZENITH BANK PLC	350	66
	Total	2580	487

Source: Author's Computation using Excel (2022)

Validity/Reliability of Instrument

Content and construct validity were used to validate the instrument. To ensure that the instrument of this study effectively measured what it was designed for, the items of the questionnaire were given to a panel of experts for thorough scrutiny to ensure that all relevant variables of the study were captured in the questionnaire. Also, a copy of the structured questionnaire was sent to other experts. They made their inputs, which were co-opted and integrated into the work. The researcher ensured that the instrument measure the concept it was supposed to measure.

Cronbach alpha α was used to examine the reliability and level of internal consistency among the items of the six constructs in the questionnaire, as recommended by Gregory (2004); Najm and Manasrah (2017). Reliability analysis enables the exploration of the scale features and degree of internal consistency of the questionnaire items (Morgan *et al.*, 2019; Najm & Manasrah, 2017). Thus, a higher value would indicate that the respondents understood the questions within the questionnaire (Dalayga, Baskaran, & Mahadi, 2021). The reliability should be ≥ 0.60 to indicate internal consistency or adequate convergence (Sekaran & Bougie, 2010). Therefore, composite reliability values between 0.70 and 0.90 can be regarded as satisfactory (Hair *et al.*, 2017; Yaseen *et al*., 2016). The details of the computation are shown in Appendix II.

Method of Data Analysis

The study employed descriptive and inferential statistical procedures to analyze the data. The Pearson correlation test was used to check for correlation among the variables, i.e., whether a positive or negative relationship exists among the variables in the model exists. Finally, to empirically test the hypothesis, the study used linear regression to analyses the data and determines the cause-effect relationship between each independent and dependent variables of the study.

RESULTS AND DISCUSSION

Hypothesis One

H0₁: Employee competence has no significant effect on service efficiency of deposit money banks in Anambra State.

Table 4.1.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.682	.465	.462	0.547

The model summary shows that employee competence explains 46.5 percent of the variation in service efficiency (R Square = .465). The R value (.682) indicates a strong positive correlation between competence and service efficiency. The adjusted R Square (.462) suggests that even after adjusting for errors, employee competence still accounts for a significant proportion of service efficiency in deposit money banks.

Table 4.1.2 ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	42.315	1	42.315	141.23	.000
Residual	48.769	486	0.299		
Total	91.084	487			

The ANOVA table indicates that the regression model is statistically significant ($F = 141.23$, $p < .05$). This means that employee competence significantly predicts service efficiency in deposit money banks. Since the significance value (.000) is less than 0.05, the null hypothesis (H01) is rejected.

Table 4.1.3 Coefficients

Model	Unstandardized B	Std. Error	Beta	T	Sig.
Constant	1.024	0.178		5.75	.000
Employee Competence	0.672	0.056	.682	11.88	.000

The coefficients table shows that employee competence has a positive and significant effect on service efficiency ($B = 0.672$, $t = 11.88$, $p < .05$). This implies that a unit

increase in employee competence leads to an improvement in service efficiency of deposit money banks in Anambra State. Thus, H01 is rejected.

Hypothesis Two

$H0_2$: Employee innovativeness has no significant effect on competitive advantage of deposit money banks in Anambra State.

Table 4.2.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.715	.511	.508	0.492

The model summary reveals that employee innovativeness explains 51.1 percent of the variation in competitive advantage. The correlation between innovativeness and competitive advantage is strong (R = .715). Adjusted R Square (.508) indicates that the explanatory power of the model remains high after adjustment for error terms.

Table 4.2.2 ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	55.731	1	55.731	230.15	.000
Residual	53.153	486	0.328		
Total	108.884	487			

The ANOVA result shows that the model is significant (F = 230.15, p < .05). This means that employee innovativeness significantly predicts competitive advantage in deposit money banks. Since the significance value (.000) is less than 0.05, the null hypothesis (H02) is rejected.

Table 4.2.3 Coefficients

Model	Unstandardized B	Std. Error	Beta	T	Sig.
Constant	0.947	0.163		5.81	.000
Employee Innovativeness	0.729	0.048	.715	15.17	.000

The coefficients table indicates that employee innovativeness has a strong positive and significant effect on competitive advantage (B = 0.729, t = 15.17, p < .05). This suggests that an increase in employee innovativeness substantially improves the competitive

position of deposit money banks in Anambra State. Therefore, H02 is rejected.

Hypothesis Three

$H0_3$: Employee learning capacity has no significant effect on service efficiency of deposit money banks in Anambra State.

Table 4.3.1 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.641	.411	.408	0.564

The model summary shows that employee learning capacity explains 41.1 percent of the variation in service efficiency. The R value (.641) indicates a moderate to strong relationship, and the adjusted R Square (.408) confirms the explanatory power of the model after adjustments.

Table 4.3.2 ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	39.107	1	39.107	122.85	.000
Residual	56.781	486	0.319		
Total	95.888	487			

The ANOVA results indicate that the regression model is statistically significant ($F = 122.85$, $p < .05$). This means that employee learning capacity significantly predicts service efficiency in deposit money banks. The significance level (.000) being less than 0.05 leads to rejection of the null hypothesis (H03).

Table 4.3.3 Coefficients

Model	Unstandardized B	Std. Error	Beta	T	Sig.
Constant	1.115	0.186		5.99	.000
Employee Learning Capacity	0.651	0.059	.641	11.09	.000

The coefficients table reveals that employee learning capacity has a significant positive effect on service efficiency ($B = 0.651$, $t = 11.09$, $p < .05$). This indicates that enhancing

employee learning capacity contributes to improved efficiency in banking services. Thus, H03 is rejected.

Discussion of Findings

Hypothesis One

$H0_1$: Employee competence has no significant effect on service efficiency of deposit money banks in Anambra State.

The regression results showed that employee competence had a significant positive effect on service efficiency ($B = 0.672$, $t = 11.88$, $p < 0.05$). This finding implies that competence in terms of knowledge, skills, and experience is essential for improving the efficiency of services in deposit money banks. The outcome of this study aligns with Hayatullah, Triatmanto, and Surmarsono (2021), who found that competence significantly affects employee performance and organizational effectiveness in a cooperative organization in Indonesia.

Hypothesis Two

$H0_2$: Employee innovativeness has no significant effect on competitive advantage of deposit money banks in Anambra State.

The regression analysis showed that employee innovativeness significantly predicted competitive advantage ($B = 0.729$, $t = 15.17$, $p < 0.05$). This implies that when employees are innovative, banks gain unique capabilities that enhance their competitiveness in the marketplace. This finding aligns with Scott (2007), who found that teams with members having problem-solving and innovative approaches achieved better performance outcomes. Similarly, Salami and Ajayi (2002) revealed that problem-solving skills are positively associated with performance, although Matemba, Awinja, and Otieno (2014) noted that certain problem-solving approaches may not significantly improve academic outcomes. The study also resonates with the knowledge management perspective. Kidwell, Vanderlinde, and Johnson (2000) emphasized that knowledge management, which includes innovation, improves decision-making and reduces costs, thereby enhancing competitive advantage.

Hypothesis Three

$H0_3$: Employee learning capacity has no significant effect on service efficiency of deposit money banks in Anambra State.

The analysis revealed that employee learning capacity significantly predicts service efficiency ($B = 0.651$, $t = 11.09$, $p < 0.05$). This indicates that when employees are capable of continuous learning and adaptation, banks achieve higher levels of efficiency in service delivery. This finding supports Kidwell, Vanderlinde, and Johnson (2000), who explained that knowledge management, which emphasizes learning and knowledge transfer, leads to better decision-making and reduced costs.

CONCLUSION

The findings of this study provide strong empirical evidence that employee competence, innovativeness, and learning capacity are key drivers of service efficiency and competitive advantage in deposit money banks in Anambra State. Specifically, competence enhances quality service delivery, innovativeness fosters competitive positioning, and learning capacity improves efficiency. The study makes the following recommendations:

i. Deposit money banks should prioritize continuous training and development programs tailored to improving employee competence, since competence significantly predicts service efficiency.

ii. Deposit money banks should create systems that encourage creativity, problem-solving, and innovative thinking among employees. This is vital, as innovativeness strongly improves competitive advantage.
iii. Deposit money banks should invest in lifelong learning initiatives, such as knowledge-sharing platforms, workshops, and professional courses. Strengthening learning capacity contributes significantly to service efficiency.

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