

Intellectual Capabilities and Competitive Advantage of Communication Firms in Rivers State

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Abstract: *This study empirically examines intellectual capabilities and the competitive advantage of communication companies in Rivers State. The cross-sectional research design was used for the study and the data for the study was collected in the form of primary data which is through administered questionnaire. The study target population was made up of employees of communication firms in Port Harcourt which gave us a total of 83 employees. The population of the study was used as the sample due to the number. The data collected primary for the purpose of the study was analysed and the hypotheses formulated for the study were tested in order to ascertain the relationship between the variables. The result obtained from the analysis showed a positive relationship between the dimensions of intellectual capabilities i.e. human and structural capabilities and the measure of competitive advantage measured with service quality and innovation. Based on the result, the study concluded that any firm that hopes to gain competitive edge must ensure that their intellectual capabilities are in order to enable them deliver topnotch quality in service and allows them to be innovative. It was therefore recommended among other things, that communication companies should always work towards ensuring adequacy in human capabilities in terms of training and skills acquisition in order to enhance the level of innovatively while also delivering higher quality of service.*

Introduction

Due to the high degree of rivalry that exists in the communication sector, there has been high demands from operators so as to enjoy a long and lasting competitive edge over other companies in the sector. This is because without advantage over rivals, it may be difficult communication firms to stand where other companies in the same sector stands when it comes to competition. Moreover, where a company is at disadvantage when it comes to competition, the company may fizzle out and not be able to stand the test of time. Consequently, it is crucial for organizations that want to stand strong in the face of competition to develop strategies and policies for sustainable competitive advantage. In the words of Al-Qairotiy et al, (2014), competitive advantage can be seen as a set of principles or policies that an organization possess at a specific time that makes the company more superior to other plays in the industry and give the organization more opportunities.

Stevenson (2005) in his own view posited that distinct advantage over rivals consists of principles designed by an organization that is done with the aim of meeting the needs of

the customers in order to retain old customers while also attracting new ones. Furthermore, Kolter (1997) noted that distinct advantage over rivals consists of methods that an organization possess which makes other organizations to be incapable of keeping up with the company both in present and in future. Accordingly, Alserhan (2017) sees competitive advantage as those conditions that gives an opportunity to a company to produce goods or provides services at a lower price and in a more desirable fashion to the customers using its competences to get more opportunities. Therefore, this study is of the opinion that competitive advantage are those factors that an organization possess which gives the organization opportunities to ride on its internal strength to stay above other competitors in a given industry.

However, for any business organization to enjoy sustainable edge over rivals, it is crucial to look at the resources available to it so as to harness to resources for competitive advantage. Therefore, one of the factors that can enhance The edge over competitors is the organization's intellectual capabilities. According to Alrowwad et al (2020), intellectual capital is the most effective competitive weapon that have impact on the performance of organizational innovation. In a similar vein, Kannan et al, (2020) opined that intellectual capital is a driver of value that transformation the organizational resources of production into assets of value in terms of goods or services rendered. In the words of Masoud et al (2014), intellectual capital is a collection of assets that are assigned or allocation to a particular organization and these assets are considered as organizational features that contribute significantly to the competitive improvement to the organization through value addition to the company's stakeholders.

Ali, et al (2021) is of the opinion that intellectual capital are intangible assets of organizational that are used to generate or extract extra benefits to the organization through the employees of the organization. Furthermore, Rindermann et al (2015) noted that the improvement of employees' skills, knowledge and perception including the non-sensorial and intangible characteristics that can be exploited in the acquisition of wealth through wealth expansion is regarded as intellectual capital. The significance of the intellectual capital of organizations today cannot be overemphasized because it is the backbone of every successful organization. Furthermore, every company with competitive advantage controls majority of the market and enjoys larger market share while those that do not have such advantage are bound to fold up in little or no time because their operations will be greatly affected. It is also crucial to note that the communication industry is very crucial to the Nigerian economy as they contribute significantly to the development of the country and also create a form of competition with different nations with regard to of service provisions.

Nigeria's telecom industry has experienced one of the highest degree of rivalry in recent time in terms of service rendering as more companies are coming up with new services ranging from data services to other forms of services so as to enjoy advantage over rivals. The recent introduction of Starlink in Nigeria is a very good example of how communication companies are looking forward to enjoying advantage over rivals in the Nigerian communication space. Many studies have been conducted to on ways to gain advantage over rivals in recent times. Elshaer and Azazz (2016) examined the impact of organization culture on advantage over rivals of hotels and tour operators in Egypt.

Noorani (2014), examined how competitive advantage can be accomplished using service innovation. Al-Owais (2019), examined the impact of transformative leadership on knowledge and innovation-based global competitive advantage. Ramos and Ellitan (2022), also examined organisational ethic and rivalry advantage. While Kusumadewi and Karyono (2019), explored the effects of service creativity and superiority on retailing's edge over competitors. However, despite, the large number of studies that have been done, communication companies are still battling with achieving a sustainable competitive advantage in the highly competitive market. It is against this backdrop that this study seeks to examine the relationship between intellectual capabilities and competitive advantage of communication companies in Rivers State, Nigeria.

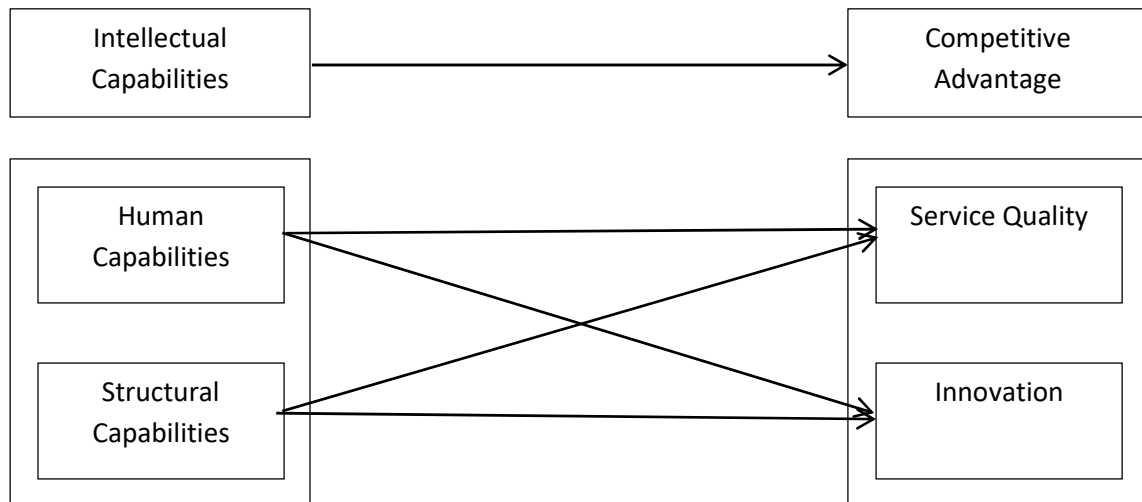


Fig. 1.1: Conceptual framework

Objectives of the Study

The objectives of the study are as follows:

- i. To examine the relationship between human capabilities and service quality
- ii. To explore the relationship between human capabilities and innovation
- iii. To determine the relationship between structural capabilities and service quality
- iv. To find out the relationship between structural capabilities and innovation

Research Hypotheses

The following research hypotheses were developed to guide the study:

- i. There is no significant relationship between human capabilities and service quality of communication firms in Rivers State.

- ii. There is no significant relationship between human capabilities and innovation of communication firms in Rivers State.
- iii. There is no significant relationship between structural capabilities and service quality of communication firms in Rivers State.
- iv. There is no significant relationship between structural capabilities and innovation of communication firms in Rivers State.

Review of Related Literature

Theoretical Framework: Resource-Based View

The theoretical foundation on which this study is anchored is the Resource-Based View. The approach emphasizes on the resources of a firm as the foundation on which the firm's edge over others and effectiveness is formed (Peteraf and Barney, 2003). The approach adopts two major assumptions in the analysis of the ways in which companies gain their competitive edge. First is that the theory is predicated on the notion that companies within an industry may be unique with regards to the amount of resources within their reach or control. The second assumption is that the heterogeneity of resources of organizations may continue for a long time resulting from the fact that the resources that is available for the execution of companies' strategies are not or cannot be traded in factor markets and are often difficult to accumulate and to a prototype (Bridoux, 2020). Resource uniqueness is thought to be a prerequisite for a resource bundle to contribute to a competitive advantage. Therefore, the approach notes that if all firms in a market have the same stock of resources, no strategy is available to one firm that would not also be available to all other firms in the market (Cool, Almeida Costa & Dierickx, 2002). The assumed heterogeneity and immobility are not, however, sufficient conditions for sustained competitive advantage. Barney (1991) contends that for a firm resource to be the basis of a long-term competitive advantage, it must also be valuable, uncommon, and only partially comparable and interchangeable. Therefore, with regard to this study, intellectual capabilities can be regarded as intangible resources that an organization possess and most likely not to be the same in different organizations. Thus, for every organization that wants to enjoy a sustainable competitive advantage, the organizational intellectual capabilities should not be underestimated because that is what determines how competitive the organization can be.

Concept of Intellectual Capabilities

The characteristics of a new issue that is concerned with intellectual assets are becoming more prevalent in modern management trends more than physical assets because the addition and magnification in physical assets is due to the availability of intellectual assets (Qassas, Areiqat & Qawasmeh, 2021). The concept of intellectual capital which is also referred to as intellectual capabilities began its spread in the 1990s and this was resulting from the fact that intellectual capital was known to be the occupation of academics, researchers in business and scholars alike whose aim was to find a way to measure the intellectual capabilities and make it a part of the organization even though it was a difficult thing to do at the time (Kozera-Kowalska & Baum, 2018). Gogan and Draghici (2013)

define IC as a collection of intangible assets that contribute to company performance and value development. According to Gowthorpe (2009), IC refers to the intangible advantages that a certain firm obtains from its employees and the connections it makes with other social groups like clients, partners, and rivals. According to Stewart (1997), intellectual capital as all the knowledge of employees, organizations and their ability to create added value and lead to sustainable competitive advantage. Puta (2012), noted that intellectual capital is identified as a set of intangible assets (resources, abilities, and competencies) that drive organizational performance and value creation.

According to Areiqat, Zamil, Fathi and Abushaar (2020), intellectual capital represents the knowledge and innovative ideas that an organization possesses and which contributes to its survival and development. They further posited that, the realization of an organization that what increases its real value is the distinct intellectual capital it possesses, capable of presenting opinions and ideas that improve performance and develop the services that it conveyed and which contribute to increasing Competitive capabilities. Thus, intellectual capital is the primary element of competitive advantage, and the factor affecting the success of institutional performance, and it strengthens the competitive position of the organization by providing new educational products and services at low costs.

According to Bontis (2004), the phrase "Intellectual Capital" (IC) was introduced to describe these assets and to highlight the significance of broad knowledge as essential to growth and development. Successful and competitive organizations tend to be those that continually concerned and aware of the importance of IC. Intellectual capital is the combined understanding of employees in organizations and most significantly improved the organizational competitive position by adding value to customers. This knowledge can be employed to create wealth, increase the output of physical assets, enhance the value of other type of capital, and gain sustainable competitive advantage. Roos et al., (2004) indicate that Intellectual capital is all the resources that are not shown on the balance-sheet and all the intangible assets which are considered by the contemporary accounting methods such as brands, patents, and trademarks. IC includes the sum of its members' knowledge. According to Roos et al.,(2004) there are four dimensions for IC: human capital, organizational capital, renewal capital, and relational capital. Organizational or structural capital is everything that remains in the company after employees go home. Human capital is about generating intellectuality through employees' attitude, competence and their intellectual agility. Attitude is the employee's behavioral component. Competence covers skills and education. While intellectual agility is supporting employees with ability to change practices and encourage them to be creative and innovative.

Brooking (1996) defines IC as the merged intangible assets of market, intellectual property, human-centeredness and infrastructure assets, which allow the business to operate. According to him IC is categorized into four components namely: market assets, intellectual property, human capital, and infrastructure assets. Market assets comprise brands, customer loyalty and distribution channel. For infrastructure assets include all the type of technologies, processes and methodologies that enable organization to function. Intellectual property is about know-how, trademarks and patents. Finally, Human-

centered assets include abilities, skills, experiences, leadership style, and decision making and problem solving processes.

According to Stewart (1997), in order to generate wealth, one needs intellectual capital (IC), which includes knowledge, intellectual belongings, knowledge, and experience. There are four aspects for IC according to Stewart: structural capital – it is about IT, where can be embedded; human capital – is about anything related to employee in terms of skills, knowledge and experience, as employees the most important assets in the organization; intellectual property includes trademarks, plans and all patents; and customer capital – is about all the market information used to captured and retain customers.

Bontis, Keow and Richardson (2000) sees IC as the pursuit of effective use of knowledge as a finished product to be opposed to information as the raw material. Bontis also, identifies three dimensions to measure the IC: human, relational and structural capital. Human capital represents the organizational knowledge stock as represented by its employees. He adds that human capital is a foundation of innovation and strategic renewal, whether it is from re-engineering new process, throwing out old files, improving individual skills, or from brainstorming in the research lab. Bontis et al. (2000) defined structural capital as the total store of information that adds value to an organisation but is unrelated to its human members, such as processes, instructional materials, databases, tactics, schedules, and organisational charts. He further claims that if an organisation has poor systems, policies and procedures, the overall IC will not reach its complete potential. Organizational with strong structural capital will have the encouraging culture that enables employee to innovate, and learn new things. According to Bontis et al. (2000), relational capital refers to the knowledge embedded in all kinds of organisational interactions with key stakeholders, including customers, suppliers, competitors, trade associations and government. He further adds, that the Relational capital is the understanding that is inherent in marketing channels, supplier relationships and customer relationships that an organization develops through the course of conducting business. The definition provided by Gowthorpe (2009), however, is most pertinent to the current study's conceptualization of IC as a combination of human, organisational, and relational capital resources (Dez et al., 2010). According to literature, intellectual capabilities is generally categorized into human, relational, and structural capabilities (Ramos, 2003, Gogan & Draghici, 2013; Sydler, Haefliger, & Pruksa, 2013).

Human Capabilities

According to Altarawneh (2017), human capital involves a combination of abilities, knowledge, skills, talents, attitudes, drive, and contentment. Human capital is a form of knowledge assets embedded in an individual employee within an organization (Nieves & Haller, 2014). This knowledge stays with an employee and goes with them when they leave an organization. Human capital comprises the knowledge stock of capital skills, attitudes, and intellectual agility of employees at all levels and their ability to make good decisions, deal with problems and create and maintain healthy interpersonal relationships (Gogan & Draghici, 2013).

Human capability is the totality of the knowledge that individuals acquire during their working life and the characteristics, talents and skills held by Personnel possess that can be directed to achieve the objectives of the organization. The human resources represented by all the employees of the organization of various categories, levels and specializations are the real pillar on which the modern organization is based. In view of the paramount importance of human resources and their ability to contribute significantly to attaining the organization's objectives, Modern management pays equal attention to concerns relating to human resources by looking for a balance between the aims of the business and the goals of individuals and between the cost and benefit while engaging with people (Qassas, Areiqat & Qawasmeh, 2021).

The contemporary administration bases its interest in human development on the well-founded scientific tenet that human beings possess mental resources and skills that go beyond what is frequently utilised or benefited. Using one's mental capacity to its fullest potential is the true source of excellence for organizations and their ability to achieve impressive, unconventional achievements. Therefore, the main focus of modern management thinking is to give the opportunity to human resources and pay attention to them so as to be able to make these resources feature an effective strategy at the level of organizations. As a result, it's crucial to understand that human capital is inexhaustible, but is growing by the amount of increase in skills, experience and knowledge, and that its productivity curve is in a direct, upward relationship towards the curve of creative and inventive abilities and experiences, and that it is liable to change and refresh with the passage of time (Al-Zahrani, Zamil, Areiqat & Alsalhi, 2012).

Structural Capabilities

Structural capital is a sort of corporate investment in apparatus, instruments, and philosophy that influences the flow of knowledge processes and, as a result, endures long when individuals leave a company (Gogan & Draghici, 2013). Another aspect of IC is structural capital, which is the sum of organisational skills that a company owns and uses to suit market demands (Yldz et al., 2014).

It is the capacity of the company to transfer, publish and employ the knowledge, skills and expertise available to the workers of the organization to the actual fact, and this deployment and staffing are done through the presence of an appropriate organizational structure and clear powers and responsibilities, it has competence in the application of knowledge, skill and experience in the organization. Structural capital is represented in culture, organizational models, processes, procedures, and distribution channels (Margareta, 2015; Areiqat, Abdelhadi, Al- Bazaieh & Abu Rumman, 2019; Areiqat, 2019).

Concept of Competitive Advantage

The concept of competitive advantage has been a subject of attention in recent times on account of its importance to the performance of organizations. According to Alheet, et al, (2020), the determination of organizations to work on the quality of products and services in order to satisfy and meet the demands of its customers and sustainability is referred to

as competitive advantage. Competitive advantage also refers to the capabilities used in the organization in order to distinct or make itself unique in terms of products or services as compared to other competitors (Li, et al, 2006). In the same vein, Cardy and Selvarrajan (2006) noted that competitive is the extent to which an organisation is capable of developing a tenable position over other competitors in the same industry. Ma (2004) sees competitive advantage as a set of financial and physical resources that are effectively utilized. Cravens and Piercy (2009) defines competitive advantage as the weapon that provides the firm with the ability to handle its competitors effectively. Competitive advantage as the organizational distinctive performance that outperform the competitors in the same industry. According to Sudrajat (2015), gaining a competitive edge entails developing and putting into practise a value-adding approach that is impossible for rivals to adopt.

It's an important tactical organizational objective which any organization seeks to achieve and maintain. Organisations should develop and maintain their competitive edge from any unique special organisational sources in order to deal with environmental challenges and changes. The rapid change and challenges that organizations face today, globalization impacts, the continually changing in consumer needs and wants, extensive competition, and the revolution of knowledge and information technology, all these reasons were behind the popularity of the competitive advantage concept in the contemporary literature of management (Al-Rousan and Qawasmeh, 2009). Porter & Kramer (2006) affirmed that in today's competitive markets competitive advantage is at the heart of a firm's performance. In addition, they argue That edge over rivals stems basically from the value a company is able to produce for its customers that is greater than the cost of producing it. In order to gain and sustain competitive advantage, organizations must create rare, valuable and inimitable resources through possessing the right capabilities (Barney, 1991).

Service Quality

Quality is one of the crucial competitive factors in the marketplace. Organization creates CA through quality by providing products or services that meet or exceed customer expectations and needs. Juran (2004) described quality as "Fitness for use" where fitness is about the goods and services that satisfy the customers' needs. Kahreh et al., (2011) contend that in order to achieve quality, organization should add distinctive features and attributes to product or services to enhance their competitive position and add value to customers. There are eight dimensions for quality to be achieved namely: performance; features; reliability; conformance; durability; serviceability; aesthetics and perceived quality (Reeves & Bendar, 1994). These dimensions match the customer perspective. Accordingly, it can be argued that quality is one of the major sources of CA, by meeting customer requirements. Many studies have linked quality to competitive strategies. Porter, (1985) argues that firms which compete on quality can adopt a differentiation strategy and position their products based on several attributes to satisfy customer needs which might lead to the ability of charging premium price.

Innovation

Innovation refers to the ability to present new product, or service, or develop a new organizational structure or administrative system (Damanpour, 1991). It refers to carrying out new processes and providing new products to provide stakeholders with a distinguished value. It significantly affects the organizational agility level. Innovation refers to the generation of new ideas which provide the organization along with its stakeholders an additional value. In addition, Innovation performance can be indicated by 'R&D inputs, improve work methods, patent counts, new product announcements', and patent citations (Patky and Pandey, 2020; Boh et al., 2020). Innovation strives to implement significant changes within the organisation to produce better services or goods, and develop the existent processes (O'Sullivan and Dooley, 2008). Innovation tends to adopt a new ideas, programs, or policies or carrying out new behaviors or processes in an organization (Mothe & Uyen, 2010). Innovation can significantly affect business success. Moreover, it affects productivity and the number of available job opportunities and driver the economic success and growth (Abuhashesh et al., 2019a). Innovation can be incremental or radical innovation. Incremental innovation leads to improving the organizational performance day by day and the minor developments or changes of the existent products, services, technologies, or approaches (Lee, 2011). It focuses on minor amendments made to the existent products, services, or technologies. However, radical innovation is the one that enables organizations to outperform their competitors (Johnson et al., 2016). Radical innovation on the other hand involves the invention of new technologies, products, or services and carrying out new processes. That requires making a radical innovation and adapting quickly to the changes in the business environment (Stanley, 2012). The radical one involves major transformation made to the existent products, services, or technologies. It involves the entity's capacity to offer products or services which are new and completely different from the existent products and services and add value to them. From the customers' perspective, the radical innovation involves major amendments which provide customers with more benefits. From the organizations' perspective, the latter innovation involves major changes made to services or technologies for enhancing competitiveness.

Methodology

Research Design

This study design is based on cross-sectional research design. This is because the study aims to collect descriptive and original data without the bias of the researcher.

Population, Sample Size and Sampling Technique

The target population of this study comprises of employees of communication firms in Port Harcourt, Rivers State. However, the assessible population will comprise of five communication firms in Port Harcourt, Rivers State. The population derived from the fieldwork shows a total of 83 employees from the five communication companies in Port Harcourt. Because of the population size, the study will take the entire population as the sample size for the study.

Data Collection and Analysis Technique

The data for this study will be collected using structured questionnaire that was adapted from previous studies in order to get responses from participants of the study. Furthermore, the variables will be measured using human capabilities, structural capabilities, service quality and innovation. Data collected for this study will be analysed using the Spearman Rank Order Correlation in order to determine the relationship between the variables under study.

Results and Discussion

Decision Rule:

Where $P < 0.05$ = Reject the null hypotheses

Where $P > 0.05$ = Accept the null hypotheses

Ho₁: There is no significant relationship between human capabilities and service quality of communication firms in Rivers State.

Table 1: Correlation between human capabilities and service quality of communication firms in Rivers State.

Correlations

			Human Capabilities	Service Quality
Spearman's rho	Human Capabilities	Correlation Coefficient	1.000	.633**
		Sig. (2-tailed)	.	.000
		N	79	79
	Service Quality	Correlation Coefficient	.633**	1.000
		Sig. (2-tailed)	.000	.
		N	79	79

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

Source: Survey Data, 2023

The Relationship between Human Capabilities and Service Quality: The result of the data analysis shows that the relationship between human capabilities and service quality significant level is less than 0.05 where $\rho = .633$. This result shows that there is high level of significance between human capabilities and quality of service delivery of communication firms in Rivers State. The study hereby rejects the null hypothesis which states that there is no significant relationship between human capabilities and service quality and therefore accept the alternate hypothesis state that there is significant

relationship human capabilities and service quality of communication firms in Rivers State. The result agrees with the finding of Alserhan, 2017) whose study found a statistical relationship between the dimensions of human capabilities and competitive advantage of organizations. He further noted that the human capabilities available to an organization is a source of competitive advantage which is seen in the form of service quality which makes it stand out from other competitors in industries.

Ho₂: There is no significant relationship between human capabilities and innovation of communication firms in Rivers State.

Table 2: Correlation between human capabilities and innovation of communication firms in Rivers State.

Correlations

		Human Capabilities	Innovation
Spearman's rho	Human Capabilities	1.000	.322**
	Correlation Coefficient		
	Sig. (2-tailed)	.	.000
	N	79	79
Innovation	Innovation	.322**	1.000
	Correlation Coefficient		
	Sig. (2-tailed)	.000	.
	N	79	79

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

Source: Survey Data, 2023

Human capabilities and Innovation: The result of the data analysis shows a significant level $p < 0.05$ ($0.000 < 0.05$). The $\rho = 0.322$, showing positive correlation between the variables. Thus, indicating a significant relationship between human capabilities and innovation of communication firms in Rivers State. With this result, the study rejects the null hypothesis and accepts the alternate hypothesis which states that there is a significant relationship between human capabilities and innovation of communication firms. The findings shows that where the human capabilities of the company is high, there is tend to be innovation which provides a room for competitive edge. This is also in line with the thoughts of Distanont and Khongmalai (2018) who are both of the opinion that innovation serves as a strategic tool for organizations that aims at gaining competitive advantage. The result also correlates with the findings of Oyelakin, et al (2022) whose study found that innovation positively affects the competitive advantage of organizations.

Ho₃: There is no significant relationship between structural capabilities and service quality of communication firms in Rivers State.

Table 3: Correlation between structural capabilities and service quality of communication firms in Rivers State.

Correlations

			Structural Capabilities	Service Quality
Spearman's rho	Structural Capabilities	Correlation Coefficient	1.000	.326**
		Sig. (2-tailed)	.	.000
	Service Quality	N	79	79
		Correlation Coefficient	.326**	1.000
		Sig. (2-tailed)	.000	.
		N	79	79

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

Source: Survey Data, 2023

Structural capabilities and service quality: The result above shows a significant level $p < 0.05$ ($0.000 < 0.05$). The $\rho = 0.326$, this indicates a positive correlation between structural capabilities and service quality. The result therefore shows a positive and significant relationship. Therefore, the study rejects the null hypothesis and accept the alternate hypothesis which states that there is a significant relationship between structural capabilities and service quality. With this result, it can be deduced that structural capabilities of a company determine the quality of service which is a measure of competitive advantage. Therefore, any organization that intends to gain competitive edge over competitors must ensure that there are adequate structural capabilities that gives room for competitive edge. The result is consistent with the findings of Altaraweh (2017) who found that the measures of intellectual capabilities have a positive and significant influence on the competitive advantage of organizations.

Ho₄: There is no significant relationship between structural capabilities and innovation of communication firms in Rivers State.

Table 4: Correlation between structural capabilities and innovation of communication firms in Rivers State.

Correlations

			Structural Capabilities	Innovation
Spearman's rho	Structural Capabilities	Correlation Coefficient	1.000	.427**
		Sig. (2-tailed)	.	.000
		N	79	79
	Innovation	Correlation Coefficient	.427**	1.000
		Sig. (2-tailed)	.000	.
		N	79	79

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

Source: Survey Data, 2023

Structural capabilities and Innovation: The result above shows a significant level $p < 0.05$ ($0.000 < 0.05$). The $\rho = 0.427$, which shows a positive correlation between structural capabilities and innovation. The result reveals positive and significant relationship between structural capabilities and innovation which is a measure of competitive advantage. The null hypothesis is thereby rejected and the alternate hypothesis accepted that there is a significant relationship between structural capabilities and innovation of communication firms in Rivers State. This goes to show that structural capabilities which deals with investment in tools, systems and philosophy that influences how knowledge flows in the organization, make the organization firm and helps the organization to meet the market requirements influences innovation which helps to gain competitive advantage. This result flows with Sadalia, Irawati and Syafitri (2017) whose study found that structural capabilities had a positive and significant influence on competitive advantage.

Conclusion and Recommendations

Flowing from the findings of the study and the facts from reviewed literatures, it is evident that intellectual capabilities influences the level of competitive advantage an organization enjoy. Therefore from the result of the study, we found a significant and positive relationship between the dimensions of intellectual capabilities i.e. human capabilities and structural capabilities and the measures of competitive advantage i.e. innovation and service quality. This goes to show that then where intellectual capabilities in an organization is, it brings about higher level of competitive advantage. Therefore, any organization or business enterprise that seeks to enjoy competitive advantage must ensure that there is proper intellectual capabilities available to the organization.

As a way of recommendations, this study recommends as follows:

- i. Management of communication firms should strive to ensure that there is adequate human capabilities in terms of training, skills acquisition and

- development of employees to enhance their level of their innovativeness and service quality.
- ii. Communication firms should ensure that there is structural capabilities in terms of structures and systems that give room for innovation

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