THE ROLE OF HUMAN RESOURCES IN GAINING COMPETITIVE ADVANTAGE IN ORGANISATIONS: CASE OF NBS BANK

MASTER OF ARTS (HUMAN RESOURCE MANAGEMENT AND INDUSTRIAL RELATIONS) THESIS

BY

IREEN CHIWONI

Bachelor of Arts (HRM) –University of Malawi

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DECLARATION

I the undersigned hereby declare that this thesis is my own original work which has not been submitted to any other institution for similar purposes. Where other people‘s work has been used acknowledgements have been made.

Full Legal Name

Signature

Date

CERTIFICATE OF APPROVAL

I, the undersigned, declare that this research study is the student's own work and effort and where other sources have been used, acknowledgements have been made correctly. The research study is therefore submitted with my approval.

Signature: ________________________ Date: ___________________________________

Lewis Baison Dzimbiri, PhD (Professor)

Supervisor

DEDICATION

To my Husband and Son **(Sangulukani and Vinjeru Zgambo),** thank you for your unwavering support and encouragement. You have sacrificed and persevered a lot through this journey. I dedicate this work to you as a token of gratitude for your profound impact on my life. God bless you abundantly and may your cup overflow forever.

I love you.

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We only plan but God fulfills. Thank you Lord Jesus for making this possible. In You I Trust.

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My classmates, you made the journey exciting I will cherish the memories shared.

ABSTRACT

This study was aimed at investigating the role of human resources in achieving competitive advantage at NBS Bank by focusing on the HR policies, strategies and practices as well as the barriers and challenges that they encounter. Guided by an interpretivism philosophy, the research employed purposive sampling and key informant interviews, with thematic analysis used for data interpretation. Findings revealed that NBS Bank employs targeted HR policies, such as training and development initiatives, talent acquisition and performance management, to enhance employee skills and adaptability, hire top talent and providing feedback thereby strengthening its market position. The bank uses strategies such as career growth, employee engagement and talent acquisition to target and retain top talent in the industry to meet current and future needs and enhancing job satisfaction and reducing turn over. Further the Bank has HR Practices such as frequently proving feedback, employee recognition and building a skilled and motivated workforce. The study also identified challenges such as legal and compliance issues, employee resistance to change and changes in economy, technology and labour laws. The Study recommendations include regular employee refresher programs, frequently engage regulatory bodies and provide adequate training and education on new technology and its benefits to eliminate employee resistance to change.

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LIST OF ACRONYMS AND ABBREVIATIONS

AEC: Asian Economic Community

RBV: Resource Based View

HR: Human Resource

HRM: Human Resource Management

CHAPTER 1

INTRODUCTION AND BACKGROUND

1.1 Introduction

This study was aimed at investigating the role of human resources (HR) in gaining competitive advantage in the organisations. The research sought to establish how human resources can assist an organisation to gain advantage in positioning itself in the market in order to maximizing its profits against its competitors. This study categorically comprehended how human resource practices can assist the organisations to register competitive advantage in banking industry through HR polices, HR strategies and HR practices. The study further aimed at determining barriers and challenges, which HR encounter in banks when assisting the company in gaining competitive position on the market.

1.2 Background

Human resources are defined as firm's knowledge, experience, skill and commitment of the employees to the firm; their relations with each other and with others outside the firm (Wright and McMahan, 2012). They are the most important firm asset, the ones that research, design, project and differentiate the firm from other firms. According to Barney and Clark (2007), human resources include the training, experience, judgment, intelligence, relationships, and insight of individual manages and workers in firms. According to Siddiq (2016), the world of modern organizations is observing an amazing change in the strategies to gain competitive advantage through training and development of their human resource. He further argued that the knowledge and skills of workforce have become increasingly important to its performance, competitiveness, innovation and overall productivity.

Harjo (2015) argued that competitive advantage is an advantage rivals gain by offering a greater value to consumers. In other words, competitive advantage is the thing that differentiates a firm from its rivals. He further stated that critical to a corporation's growth and prosperity, is gaining and retaining competitive advantage. Corporations although may pursue many paths to this end, one that is frequently not recognized is capitalizing on human resource management (Singh, 2014). He, however, argued that HR systems are developing into a significant source of competitive advantage in both the industrial and service sectors.

According to Fathima (2015), currently many companies recognize the growing importance of their human resources, but few are conceptualizing them in strategic terms-in ways to gain a competitive advantage. As a result, many companies forego the opportunity to seize competitive advantage through human resource practice initiatives.

Palmer (2020) argued that today, the main goal of most businesses is to achieve competitive advantage. Competitive advantage is defined in different ways by different authors but Michael Porter (1985) was the first author who used the concept of competitive advantage. He identified two main types of strategic advantages: cost advantage and differentiation advantage. Competitive advantage exists when a firm is able to offer the same products as competitors but with lower prices or differentiated products. The resource-based view states that firm uses resources and its ability to create competitive advantage, which in the end results in the creation of superior value. Cascio (2018), noted that competitive advantage is when an organisation gain and maintain an edge over competitors hence a firm must develop policies that can transform the company by having superior marketplace position relative to its competition.

Aykan (2016) contended that when organisation-centered outcomes are favourable competitive advantage is usually achieved. Some of the indicators of cost leadership and product differentiation are cost per unit are lowered, firms retain employees, better customer retention, production of products or services that are superior to those offered by one's competitors or to produce products or services that are not offered by competitors. (Myler, 2020).

Marimuthu et al. (2009) argued that firms should therefore, come up with some effective policies especially in investing the various aspects of human capital as not only does it direct firms to attain greater performance but also it ensures firms to remain competitive for their long term survival, however, creating these advantages is not an easy thing. As it was noted by Pietersen (2010) *"It's harder than ever to find a competitive advantage; even harder to sustain it"*. Pietersen (2010) stated that successful competitive strategies usually involve the creation of distinct and unique characteristics to use as a competitive advantage against their rivals. Some examples of distinctive features are superior technologies, special products, special skills, great sales, distribution capabilities, the best services to customers etc. (Pietersen, 2010).

Armstrong (2010) argued that human resources are valuable source of competitive advantage and are used to reinforce an appropriate (or change an inappropriate) organizational culture. He further noted that they effectively by mutually consistent policies, promote commitment and foster a willingness in employees to act flexibly in the interests of the "adaptive organization's' pursuit of excellence.

According to Wright and McMahan (2012) the role of HR can maximize employee satisfaction and thereby minimize employee resistance to change and growth. In order to be successful business partners and leaders of change, HR should be armed with a solid foundation in business principles and strategies. They must be knowledgeable about finance and accounting and be skilled in implementing best practices, methodologies and trends within the field.

Lawler (2009) argued that today, the businesses under ever-changing business environmental conditions have to develop and implement environment-oriented strategies to gain a sustainable competitive advantage. Lawler concluded that the success of these strategies, however, is totally dependent on human resources.

Additionally, HR established the performance evaluation system of the organization that is instrumental in advancing organisation competitive advantage (Qehaja and Kutllovci, 2015). The HR practices institute corporate-wide performance standards, integrating criteria in appraisals or evaluating employee's job performance based on parameters adopted by the company in gaining competitive advantage. The HR also establish a separate component that provide regular feedback to the employees or teams to achieve goals or improve their business performance, and introducing or formally evaluating all employees on areas aimed at registering competitive advantage on the market (Simsek, 2015).

Wright and McMahan (2012) contended that human resources have the potential to be the sources of sustained competitive advantage, though they also note that to do so, the employees must be both highly skilled and motivated. According to Aykan (2016) today, human resource management undertakes not only performs recruitment, assessment, dismissal, and similar routine processes but also a managerial function and becomes an inseparable component of management like the other management functions. Human resource therefore, has a strategic significance in architecting policies that can assist organisations to gain competitive advantage on the market (Aykan, 2016).

Dzimbiri argued that human resources in a capacity building, managers share the responsibility with their line management for the success of the organisation. HR managers can improve performance of the organisation through applying performance-based rewards, employee communication, work–life balance, and other organizational behaviour practices that significantly improve the level of financial success of the company (McShane and Gilnow, 2010). Palmer (2020) argued that for an organization to remain competitive, it needs HR personel who think differently from a variety of backgrounds and cultures to share their ideas and experiences.

Ulrich and Brockbank (2012) noted that HR practices can demonstrate expertise in analyzing processes and suggesting how work can be organized and executed to ensure that costs are reduced while quality is maintained. They further propounded that HR can become champion for employees, vigorously representing their concerns to senior management while simultaneously working to increase employee commitment to the organisation and their ability to deliver results. Additionally, support the process of continuous transformation, shaping processes and creating a culture that improve an organization’s capacity to change in order to gain competitive advantage against its competitors.

Elrehail et al. (2019) argued that for the organisation to succeed and survive on the market it requires employee satisfaction and competitive advantage. They added that competitive advantage refers to a firm’s advantages over rival firms that help it to increase its sales. In this respect, the firm needs to find the right strategy to confront the challenges faced by its industry. The firm needs to identify its strengths, weaknesses, opportunities and threats; it must design its strategies accordingly to achieve its organizational mission and vision.

According to Harjo (2015) the development of comprehensive HR policies, strategies, and practices may enable firms to be more proactive in their approach and to have a greater choice over the types of markets and countries they enter. Wicks (2005) highlights that competitive advantages of a company have a better chance to be sustainable if HR officers play a leading role in implementation of the strategies which the organisation is using.

The banking industry is a growing global industry today due to growth in financial sector worldwide (Palmer, 2020). Similar to other industries, this industry is characterized by intense competition between companies hence each company must optimize its position to gain competitive advantage in order to succeed on the market. It is against this background that this study seeks to investigate the role of HR in gaining competitive advantage in organistions thus the study will use NBS Bank as the case study in this research.

1.2.1 NBS Bank

NBS Bank is a fully-fledged commercial bank providing various financial services to individuals, small and medium businesses, large corporations and public institutions. The bank was incorporated as a limited company on 14th March 2003 and was registered under the Banking Act 1989 on 1st March 2004. It started its commercial banking operations on 1st July (2004).

The Bank's predecessor institution, the New Building Society, was formed following the amalgamation of the Central African Building Society, Commonwealth Century Building Society and First Building Society. It was incorporated under the Building Societies Act on 7th February 1964. NBS Bank is listed on the Malawi Stock Exchange and currently, it is a subsidiary company of NICO Holdings Plc with 50.10% ownership.

In line with their philosophy of "taking banking to the people," the Bank boasts of having one of the widest and probably the best service network in Malawi. NBS Bank has 26 real-time Service Centres strategically located across the country. In addition, the Bank offers one of the most expansive networks of ATMs and very innovative Mobile, Agency and SMS banking services to give its customers additional service delivery platforms. The mission statement of NBS is to provide superior banking services and deliver value to their customers, employees, shareholders, and all other stakeholders.

1.3 Problem Statement

In the increasingly competitive global market, organizations in the banking sector are striving to achieve sustainable competitive advantage to outperform their rivals. Traditionally, competitive advantage has been mostly linked with factors such as technological innovation, product quality, and market position. However, the role of HR to further this advantage is often underestimated. The problem lies in the underused of HR practices in many organizations, where HR is simply seen as a functional department, which is responsible for just recruitment, payroll, and compliance. This view neglects the strategic potential of HR to contribute to the long-term organizational success. Effective Human Resource Management (HRM) can enhance competitive advantage through factors such as the development of a skilled and motivated workforce, fostering a culture of innovation, enhancing employee engagement, and ensuring alignment between the overall organizational goals and individual performance.

Eric (2018) argued that globalisation has paved the way to increased competition and has re-established the fact- "survival of the fittest". Survival and sustainability emerge as key issues to ponder in a competitive environment. He contended that firms are now concentrating in designing activities and practices that give them additional competitive advantage. Human resource management has emerged as one such areas with the belief that management of people gives a cutting edge for establishing a competitive advantage for a firm (Eric, 2018).

Rahman1and Akhter (2021) propounded that effective HR practices specifically in banking sector result in committed workforce, which can contribute towards firms' growth. They further noted that adequate addressing of employee needs reduces attrition rate and hence dedicated and talented employees are retained, which become an asset for the firm. They concluded that retention of talented workforce and designing of good HR practices have greatly assisted organisation to achieve competitive advantage over other firms.

Peter Drucker, the Father of Modern Management, noted that the only resource that every business firm, or other institution really has is its people. Drucker explained that "human resources have always been critical to the success of an organization," (Aykan, 2016). However, despite Drucker's assessment, the contribution of Human Resource department in an organization setting has traditionally been considered less important than that of other department in contributing to the strategic decisions of organizations (Ulrich & Beatty, 2011). This has ended in making the HR to not take pivotal role in contributing to an organizations success.

Narang (2014) contended that for achieving competitive advantage it is necessary that employees who are good performers and exhibit potential for even better performance will be assets to the firm. They will be instrumental in not only achieving higher goals and objectives at individual levels but will also induce their fellow colleagues to follow in their path. He further argued that to maintain this attitude is necessary for the firms to devise means and ways to keep the employees satisfied and committed, here begins the role of HR practices for retention of their talent as means of achieving competitive advantage.

The contemporary business landscape is characterized by intense competition, and organisations are increasingly being aware of the importance of human resources in achieving a competitive edge. Nevertheless, there is a need to investigate the specific strategies, practices, polices and barriers or challenges that human resources face in a mission to contribute to an organisation's competitive advantage (Al dakeel et al 2015).

Harjo (2015) argued that many researches attempt to bridge the lack of integration between the theory and practices on the role human resources play in gaining competitive advantage in an organisation.

Pietersen (2014) noted that South African organisations, just as in other countries in Africa, are fighting to gain a competitive advantage over their competitors. In this struggle, human resources have become the focus point of debate and intervention in organisations. He concluded that the task-related competencies of employees have suddenly become central with regard to the performance of organisations.

Although Human Resource Management (HRM) is globally recognized as a strategic tool for achieving competitive advantage, in the Malawian context, HR continues to be predominantly viewed as an administrative function rather than a strategic role. As highlighted by Mamman et al. (2018) and Tchereni (2021), HR professionals in Malawi often focus on routine operational tasks such as employee management and compliance, with limited involvement in shaping organizational strategy. This underutilization of HR's strategic potential hinders organizational performance and innovation. Furthermore, while international studies have demonstrated the impact of effective HR practices on organizational competitiveness, these findings are primarily drawn from Western or Asian contexts. The organizational, cultural, and institutional dynamics in Malawi differ significantly from those settings, making it inappropriate to directly apply foreign models without localized validation. As Bakuwa (2019) observed, there is lack of local research that addresses how HR can satisfy multiple stakeholders and contribute to competitive positioning in the Malawian banking sector. There is, therefore, a critical need for context-specific research that explores how HR can be strategically leveraged within Malawian organizations, particularly in the banking sector, to enhance competitiveness and long-term sustainability. It is against this background that the study aims at investigating the role of HR in gaining competitive advantage in an organisation.

1.4 Main Research Question

What is the role of Human Resources in gaining competitive advantage at NBS Bank?

1.4.1 Research Questions

1. What HR policies at NBS Bank support the organisation to gain competitive advantage on the market?
2. What HR Strategies at NBS Bank contribute to the company's competitive advantage
3. How do HR Practices at NBS Bank assist the organisation to gain competitive position in the banking industry?
4. What are the barriers HR face in implementing effective strategies, practices and policies for gaining competitive advantage?

1.5 Main Objective

To investigate the role of human resources in gaining competitive advantage at NBS Bank.

1.5.1 Specific Objectives

1. To ascertain policies at NBS Bank that support the organisation to gain competitive advantage on the market.
2. To ascertain HR Strategies at NBS Bank that contribute to the company's competitive advantage.
3. To establish how HR Practices at NBS Bank assist the organisation to gain competitive position on the market.
4. To determine the barriers HR face in implementing effective strategies, practices and policies for gaining competitive advantage.

1.6 Significant of Study

This research study was primarily aimed to address a critical gap in the existing literature by investigating the role of human resource in gaining competitive advantage since only few studies of such nature have been conducted in Malawi. The significance of this research lies in its potential to contribute new insights to the field, thereby advancing theoretical understanding and practical applications. This study seeks to add knowledge in

Human Resource Management and offer valuable implications in the academics. Ultimately, the findings are expected to fill a crucial knowledge void and foster further inquiry in this area of study.

In addition, the findings of this study are aimed to inform the managers and supervisors on the importance of human resource management in helping organisation in gaining competitive advantage on the market. This will vigorously assist in ensuring that HR are integral part in improving organizational performance. The findings are also aimed to help organisations to appreciate how HR's role substantially contribute to organization's performance.

The research findings will also provide guidance to other professionals such as consultants when developing strategic plans for the companies including banks. The market landscape is drastically changing hence the need to understand fully how HRM plays a key role in gaining competitive advantage.

1.7 Conclusion

The section has presented the introduction of this study and background. The section has also outlined the problem statement and it has included some of the arguments by other scholars on the role of HR in gaining competitive advantage. It has also explained the main aim of the study and specific objectives. The section has also presented the targeted group and justification of conducted the study.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This section presents a review of the literature in relation to the area of the study. It is structured in a way that it contains the conceptual framework, which provides the definitions of the variables used in the study. It will also discuss the theoretical framework, which entails the theories that the study will use when interpreting the findings. The chapter further presents the empirical studies related to the current research.

2.2 Key Concept Definitions

2.2.1 Human Resources

Human resources is considered the source of the success of the organization if it is being managed well, but on the contrary may be a challenge if it's not managed well to meet the objectives of the organization. Its success can provide the organization with best selection of employees, and better training and development for human resources (Alnaser, 2009). Human resources are defined as firm's knowledge, experience, skill and commitment of the employees to the firm; their relations with each other and with others outside the firm. They are the most important firm asset, the ones that research, design, project and differentiate the firm from other firms (Harvard Business Review, 2022).

Porter (1985) emphasized the role of human resources (hereinafter referred to as the HR) as creator of competitive advantages at any firm. In recent years, management schools have begun to appreciate the importance of human resources as a source of competitive advantage. According to this perspective, which is known as *Resource-Based View*, firms recruit critical HR and then establish HR systems that increase their potential in the industry.

2.2.2 Human Resource Management

Dzimbiri (2022 quoting Flipo) stated that human resource management is the process of planning, organizing, directing and controlling the procurement and development, compensation, integration, maintenance and separation of human resources to the end that group and organizational and social objectives are achieved. HRM plays a crucial role in gaining a competitive advantage in the organisation by offering comprehensive guidance of HRM concepts that assist employees on how to strategically overcome challenges and gain competitive advantage in the workplace. According to Armstrong (2008) the overall purpose of HRM is to ensure that the organization is able to achieve its success through people.

2.2.3 Competitive Advantage

A competitive advantage is what sets a company apart from its competitors, in the eyes of its consumers (Eric, 2018). These advantages allow a company to achieve and maintain superior margins, a better growth profile, or greater loyalty among current customers. A competitive advantage is often referred to as a “protective moat.”

According to Harvard School of Business (2016) competitive advantage accrues to a firm when it does something that the rivals cannot do or owns something that the rival firms desire. For instance, for some firms, competitive advantage in these recessionary times can mean a hoard of cash where it can buy out struggling firms and increase its strategic position.

2.2.4 Human Resources Management in Gaining Competitive Advantage

The importance of Human Resource Management in gaining a competitive advantage goes beyond its traditional administrative functions. HRM plays a strategic role in shaping an organization's workforce and work culture, making it a critical component in achieving and sustaining a competitive edge. Some details on its significance are:

•Strategic Workforce Planning: HRM engages in strategic workforce planning, analyzing the organisation’s current and future talent needs. By understanding the skills and capabilities required to execute the business strategy, HRM ensures that the right people are in the right roles at the right time. This proactive approach to talent management strengthens the organization's ability to respond to market demands and seize opportunities.

•Innovation and Creativity: HRM fosters a work environment that encourages innovation and creativity. By promoting open communication, collaboration, and a culture of experimentation, HRM helps generate fresh ideas and solutions. An innovative culture can lead to the development of unique products or services, providing a competitive advantage in the market.

•Employee Performance and Productivity: HRM's emphasis on performance management and continuous improvement contributes to increased employee productivity. Regular performance evaluations and feedback help employees align their efforts with organizational objectives. By cultivating a culture of high performance, HRM enhances the organization's overall efficiency and effectiveness.

Porter (2015) emphasized the role of Human Resources as creator of competitive advantages at any firm. According to Porter (2015) the human factor is the only organizational resource to develop a competitive advantage. Porter argues that people are becoming a significant differentiating factor hence managers should select those people who are more intelligent, better trained, more motivated, and more committed.

2.3 Policies that support the organisation to gain competitive advantage on the market

The banking industry is one of the most highly regulated sectors globally, playing a vital role in the economic stability of nations (Fathima, 2015). Given the sensitive and high-risk nature of banking operations, particularly the handling of personal financial data and large volumes of cash, internal policies and human resource (HR) systems become central to both operational security and competitive positioning. As this study seeks to ascertain the policies at NBS Bank that supports the bank in gaining competitive advantage in the market, the role of HR policy design and implementation within the banking sector is particularly significant.

Fathima (2015) highlights that banks store sensitive, personal information about their clients, and commercial banks often house more valuable inventory, cash than other retail operations. According to Eric (2018) bank employees, from executives to tellers, must have a higher level of integrity and trustworthiness than employees in most other industries. These internal standards, when effectively embedded in HR policies, help differentiate banks in terms of reliability and client trust, which are essential components of competitive advantage.

Harvard School of Business (2016) stated that human resources departments must implement strict control and monitoring work policies to reduce opportunities for internal fraud and collision. It further argued that HR policies separate cash receiving, storage, processing and disbursement, and record all activities via video surveillance system. In the event that an employee attempts to steal from a bank, the HR department must handle the legal paperwork and administrative processes required by court proceedings (Harjo, 2015). He further stated that certain jobs do not really require a thorough background check, but any job in a bank definitely does hence HR must formulate policies that will ensure that all paperwork are checked several times to avoid mistakes and errors which can heavily cost the organisation.

Human resource departments in banks must establish policies to go the extra mile to uncover the criminal and financial history of job applicants, for the safety of their clients and their organization as a whole (Sungwa, 2021. He further stated that banks with good policies are highly unlikely to hire candidates with financial fraud on their records. Efficient human resource management policies is one of the most essential requirements for survival in this competitive world (Harvard School of Business, 2016).

Khatri (2011), in a study titled *"Managing Human Resources for Competitive Advantage: A Study of Companies in Singapore"*, investigated the influence of organizational human resource (HR) policies on the implementation of strategies aimed at achieving competitive advantage. Drawing on a sample of approximately 200 of the largest firms across all major industries in Singapore, the study found that HR policies significantly affect the execution of strategic initiatives designed to enhance market competitiveness. Furthermore, the findings indicate that the interaction between HR practices and organizational strategy explains a greater proportion of variance in firm performance. Nonetheless, the impact of HR policies on organizational outcomes may be undervalued or underestimated.

Harjo (2015) in a study “Gaining Competitiveness in the Global Business World through the Implementation of International Human Resource Management Policies”. The study was conducted in the Asian Economic Community (AEC). The study focused on international human resource management policies that have been implemented by some multinational companies to gain competitive advantage in the region. The research analyzed how emerging international human resource management policies and best practices of some multinational companies were implemented in order to gain strategic position in the region. The study examined some HR key policies for gaining competitive advantage.

The findings revealed that the effectiveness of human resource management policies and practices across national boundaries had become a key strategy to achieve a competitive advantage in the global markets. The study recommended that a multinational company should concern and develop its international human resource management policies and practices that enable the company to win in global business.

The study indicated that HR policies on recruiting global employee, training and development, and re-entry policy play a critical role in gaining global competitiveness in order to win global competition. The study, however, did not investigate much on how HR policies can be used to gain competitive advantage on individual country since each nation has different legal framework and business environment.

Siddiq (2016), in the study titled *"Human Resource as a Source of Competitive Advantage: A Study on Bankers in Pakistan"*, investigated the relationship between organizational policies and employee performance within the banking sector. The research specifically focused on the banking industry due to its significant economic contributions to societal development. The study aimed to examine how human resource practices within banks influence employee performance and, consequently, contribute to the attainment of competitive advantage.

The population of the study is the bank managers in the public and private banks of Pakistan. The selected random sample comprised of those managers who have attended a training program at least once in the current job. The data was collected using a structured questionnaire on a commonly used Likert scale, to investigate the relationship between competency-based training and employee performance. A Pearson's Correlation Coefficient among the variables is significant hence proving a positive correlation of specialized training imparted and the employees' performance in the banks of Peshawar. Further it is concluded that majority of bankers had a positive favorable policies about competency. Therefore, specific-to-job training is a viable option for the investment in human capital to improve overall performance of employees. The banks policies on regular training need identification is suggested for the banks in order to strategically train and develop the bankers in the highly dynamic industry. Nevertheless, further research is suggested on finding bankers' perception of inducing the training to their work.

Therefore, the reviewed literature above presents strong evidence that HR policies are not merely administrative or compliance tools but are strategic levers for building and sustaining competitive advantage in the banking sector. From risk reduction and staff vetting to targeted training and international best practices, HR policies shape the internal capabilities that enable banks to compete effectively in dynamic markets.

2.4 HR strategies that contribute to the organisation competitive advantage.

In today's volatile and increasingly competitive business environment, especially in the financial services sector, strategic human resource (HR) practices are no longer viewed as purely administrative. They are essential tools for building organizational capabilities that enhance competitive advantage. As organizations particularly banks navigate evolving market dynamics and rising client expectations, the alignment of HR strategies with broader business goals becomes critical. This section reviews literature that addresses the specific objective of ascertaining HR strategies at NBS bank that contribute to an organisation's competitive edge.

Nkhwangwa (2014) argued that for banks to win the much anticipated competition, the business strategies they employ have to be strategically integrated with human resource management strategies. This integration ensures that HR functions directly support competitive market performance. Pietersen (2014) supports this view, emphasizing that a strategic fit between business strategy and human resource management strategy helps in retaining and motivating employees translating into high organizational performance and competitive advantage for the firm.

Ulrich and Beatty (2011) posited that human resource professionals need to fulfil roles that are operational and strategic in nature; monitoring and partnering; and should take responsibility over company's short and long term goals that are both qualitative and quantitative. They further stated that HR professionals should regularly involve line managers in strategy formulation, and strategy implementation which lead to the design of HR strategies that support overall firm strategy. The HR professionals develop strategies that contribute to cost reduction through administrative efficiency and maintaining high quality (Mamman et al., 2018). They further argued that they develop strategies and mechanisms to increase employees' contribution to the organisation.

Hoek (2014) argued that Dave Ulrich Model of Competitive Advantage postulated that to create value and deliver results, human resource professionals should not start by focusing on their activities or work of human resources but should first define the deliverables of their work. He added that this model assists HRM professionals to develop strategies in the organisation which will ensure that the market share together with revenues are increased and ultimately improving competitiveness.

Kareska (2023), in her study titled *"Human Resource Management Strategies for Achieving Competitive Advantage in Banks"*, examined the role of HR practitioners in enhancing the performance of commercial banks. The research, which involved 14 commercial banks and utilized key informants, aimed to assess the contribution of HR professionals to organizational performance. The findings highlighted the critical role of HR managers in effectively managing bank resources to achieve competitive advantage. Specifically, the study found that in North Macedonia, HR professionals play a significant role in driving the performance and success of banks. These findings offer practical evidence of the strategic impact of HR management and closely align with the objectives of the present study.

Sabourin (2020), in his study titled *"The Resource-Based View (RBV) and Innovation in Canadian Firms"*, employed content analysis to review existing literature on the application of the resource-based perspective to innovation within the Canadian context. The study aimed to explore how RBV contributes to understanding innovation strategies in firms. Based on this analysis, the researcher formulated eight research propositions related to the role of RBV in areas such as corporate governance, mergers and acquisitions, competitive market strategies, strategic monitoring, and the value supply chain.

The study pointed out that the study of the relationship between the competitive advantages of a company and its successful strategies can be challenging to achieve in practice. A market strategy in a context of competition could be defined as a process of creating value for the customer. The findings further argued that a firm can obtain sustained competitive performance from its controllable resources while they are valuable, rare, inimitable, and non-substitutable. He argued that competencies are further developed by HR departments when such resources are combined to create specific organizational capabilities.

Pietersen (2014) in a study titled “The Emerging Role of the Human Resource Manager as Strategic Partner in South African Organisations. The aim of this study was to shed light on the strategic partnership role that senior human resource managers currently play in South African organisations. Furthermore, a theoretical framework through which the concept of strategic partnership can be understood and explored, is introduced. The data was collected by utilising a survey and consisted of adapted versions of the Human Resources Role-assessment Survey (strategic partner), the Human Resources

Competencies Scale as well as scales that measured the dimensions of strategic role motivation and strategic role opportunity.

The results of this study showed that on average, the senior human resource managers in South Africa rated themselves significantly higher on the strategic partnership dimension than senior line managers rated them. Additionally, it seems that senior human resource managers reported higher levels of professional competencies than of business-related competencies. A significant positive relationship existed between professional competencies and business-related competencies. There seems to be a significant positive relationship between strategic partnership and strategic role motivation as well as strategic partnership and strategic role opportunities within South African organisations.

The human resource is seen as an asset that needs to be managed conscientiously and in tune with organizational needs. Today's most competitive organizations are working to ensure that now and a decade from now they have employees available who are eager and able to address key competitive challenges (Jackson et al, 2009). The literature strongly affirms the strategic role of HR in shaping competitive outcomes. Whether through cost-efficient structures, enhanced talent management, innovation development, or alignment with core business goals, HR strategies function as critical drivers of organisational competitiveness. This directly addresses the study's second specific objective by illustrating how thoughtful HR strategy formulation and implementation can be leveraged for long-term market success.

2.5 How HR practices assist the organisation to gain competitive position on the market

Globalisation has paved the way to increased competition and has re-established the fact- "survival of the fittest" (Narang, 2024). He further argues that survival and sustainability emerge as key issues to ponder in a competitive environment. He added that Firms are now concentrating in designing activities and practices that give them additional competitive advantage.

According to Rahman and Akhter (2021) HRM has emerged as one such area with the belief that management of people gives a cutting edge for establishing a competitive advantage for a firm. They argued that effective HR Practices result in committed workforce, which can contribute towards firms' growth. They noted that adequate addressing of employee needs reduces attrition rate and hence dedicated and talented employees are retained, which become an asset for the firm. This directly aligns with the view of Harjo (2015), who argues that the retention of a skilled workforce, underpinned by well-designed HR practices, positions firms advantageously within their respective markets.

According to Harvard School of Business (2016) lately, human resource management has emerged as an essential factor for sustained competitive advantage. It argued that research highlights that organizations develop sustained competitive advantage through management of scare and valuable resources. The human resource enables organizations to achieve optimization of resource, effectiveness, and continuous improvement consistently (Taghreed and Mohamed, 2015). They further argued that an organization takes time to nurture and develop human capital in the form of knowledge, skills, abilities, motivation, attitude, and interpersonal relationship, and makes it difficult for competitors to imitate.

Effective HR practices result in committed workforce, which can contribute towards firms' growth (Taghreed and Mohamed, 2015). The further argued that adequate addressing of employee needs reduces attrition rate and hence dedicated and talented employees are retained, which become an asset for the firm. Retention of talented workforce and designing of good HR practices have greatly assisted organisation to achieve competitive advantage over other firms.

Empirical research further supports these assertions. For instance, Elrehail (2019) had a study titled "Employee Satisfaction, Human Resource Management Practices and Competitive Advantage". The purpose of the study was to explore the impact of human resource (HR) management practices on achieving competitive advantage through studying the mediating role of employee satisfaction in the context of five-star hotels in

Northern Cyprus. The study to produce numeric data as well as to test the hypothesis, the researcher employed structural equation modeling and AMOS. The testing included (n¼ 439) questionnaires. The model suggested by the authors examined the tourism sector, and in particular, five-star hotels located in Northern Cyprus.

The main research findings revealed that HR Practices had a significant effect on competitive advantage. The study concluded that HR Practices significantly assisted in achieving competitive advantage for five-star hotels in Northern Cyprus. This study demonstrates originality by responding to the recommendations of prior studies conducted on HR in Northern Cyprus Island. This makes a theoretical contribution to the field, since only Turkey recognizes Northern Cyprus, which makes conducting research on this country a challenge for researchers worldwide. Based on this study's outcomes, the study discusses its theoretical and practical implications, as well as recommendations for future research.

Qehaja and Kutllovci (2015) conducted a study in Kosovo on "The Role of Human Resources in Gaining Competitive Advantage". This study was based on primary data collected by questionnaire survey, investigating the role of HR in providing competitive advantages in distribution firms in Kosovo. The main methods used to address this issue were: analysis, synthesis and comparative method. We have chosen seven distribution firms in Kosovo with different levels of HR development. A total of 35 directors and managers within these firms were surveyed.

The results indicate that HR department in surveyed firms in Kosovo mainly deal with administrative work (66.67 percent), and according to the respondents, none of these departments' deals only with administrative work. While 33.33 percent of them replied that they deal with administrative work and strategic planning. The findings conclude that firms in Kosovo deal mainly with administrative work. It is given that Human Resources are a key source of competitive advantage in firms. Starting from the proven link between human resources and competitive advantage in developed firms worldwide, and on the other side, the generally unsatisfactory handling of human resources in Kosovan firms.

The study argued that organisations in Kosovo do not consider human resources significant resources in providing competitive advantage. Therefore, they do not possess a standard strategy for human resource development. Another assumption was that most of these firms have human resource departments, but in practice these departments mainly deal with administrative work. Additionally. The results of this empirical study are generally consistent with the assumptions set out in the research.

Rahman and Akhter (2021) on a study titled "The Impact of Investment in Human Capital on Bank Performance: Evidence from Bangladesh". The objective of this study is to examine the aspects of investment in human capital like training of employees, education level of employees, knowledge level of employees, and skills of employees that influence the performance of a bank and to gain competitive advantage. This research included a conceptual model along with hypotheses. This empirical study is based on primary data. The data were obtained by the convenient sampling procedure with a questionnaire using the seven-point Likert scale. The hypothesized model has been validated using data from 261 participants, and an analysis was conducted using the system of structural equation modelling.

The results revealed that investment in training, knowledge level and skills of the employee were positively connected to bank performance at less than 1% and a 5% level of significance. But the employee's educational level does not substantially affect bank output in this analysis. The focus field is the study of the human capital investments of the Human Resources Division at Janata Bank Limited. It investigates different aspects of the Janata Bank's facilities as well as the problems and prospects. Thus, this study can be a policy dialogue for the managers, owners, decision makers, and academicians.

Narang (2014) in a study titled "Achieving Competitive Advantage through HR Practices". This study has been conducted in some organisations in India that have devised HR practices and have gained positive results. The present study investigates HR practices namely; training and development, recruitment and selection, compensation and reward, performance appraisal, performance linked incentives, highlighting good performance and rewarding suggestions and ideas understanding the effects of these practices on retention of workforce to achieve competitive advantage. The researchers collected data through Primary and Secondary methods. Primary data was collected through distribution of questionnaire to employees of private companies in the city of Lucknow. The questionnaire contained 10 questions, each question were divided into five sub parts. The answers were mostly close ended. The last question was open ended seeking suggestions and HR practices that they would like their organisations to implement. The objective is to understand the HR practices in the private companies in the city and also understand how these HR practices are effective in retention of talented workforce and HR issues leading to competitive advantage.

Analysis and findings indicated that to perform well under highly competitive conditions and gain competitive advantage is perhaps the greatest single challenge for the firms and how best to develop human resources in a way that will enable them to out-perform other firms. The outcome further revealed that successful companies in both manufacturing and banking sectors have achieved (and more to the point, they attribute) their growth through the ways in which they managed to organize and work with their people to produce competitive advantage.

The literature consistently affirms that HR practices play a critical role in helping organisations gain and maintain competitive positions in the market. Whether through employee retention, satisfaction, or the development of unique capabilities, HRM is not merely a support function but a strategic partner in driving organisational success.

2.6 The barriers HR face in implementing effective strategies, practices and policies for gaining competitive advantage.

Pietersen (2014) argued that the challenges of implementing strategic human resource management may vary considerably from one organization to another. According to Sabourin (2020) lack of a cohesive culture in the organization is a major challenge to the development and implementation of HR strategies and policies. He further argued that modern business corporations operate in an environment of global recession, increasing

competition, and scarcity of resources and an abundance of highly educated labour force hence not easy for HR professionals to execute their duties and fulfil their tasks.
Armstrong (2008) argued that one of the major challenges of strategic human resource management is that there is a gap between what the strategy states will be achieved and what actually happens, i.e a disjoint between human resource management theory and practice, between what human resource function says it is doing and how the practice is perceived by employees and also perception of the role of human resource by senior management and the role it actually plays.

Eric (2018) argued that most HR professionals have little knowledge of the wider business function and other business strategists have tended to look down upon human resource considerations because of the ambiguity and uncertainty attached to human behavior. Secondly, HR professionals have for decades played the role of arbitrators between staff and management, thus have depended to a large extent on the ability to find compromise and reconcile the two sides other than develop clear agenda, thereby underlying the difficulty between the planning mentality advocated for by strategic human resource management and traditional human resource management (Eric, 2018).

Sarwar (2013), in his doctoral thesis titled *"The Strategic Role of the HR Function in the Banking Sector of Pakistan: Analysis of Evidence and Influencing Factors"*, analyzed empirical evidence concerning the strategic positioning of the human resource (HR) function within Pakistan's banking sector. The study focused on key elements influencing the HR function's role orientation, specifically the devolution of HR responsibilities, the organizational structure of the HR function, and the competencies of HR personnel. A qualitative case study approach was employed, involving interviews with 85 HR professionals, senior managers, and line managers across eight selected banks.
The data analysis largely fails to identify a significant presence of the strategic role of the HR function across the sample banks. It also indicates a generally low level of devolution of HR activities to line management, which has impeded the ability of HR managers to devote more time and resources to strategic initiatives. Even where devolution has occurred, it has not enabled the HR function to enhance its strategic contribution. The

evidence also suggests that where organisations implemented structural changes to their HR function ostensibly, to enhance the strategic orientation, this did not result in meaningful outcomes and, moreover, the lack of requisite business acumen among HR personnel appears to have impeded their strategic contribution. In the context of Pakistan, these findings emerged because the HR function was in an early stage of development, the strategic HR role required a skill-set which had just begun to emerge and the underpinned reasons for changes in the structure were to attain better operational efficiency. Further, in the domestic case-study banks, the function faced challenges of an outdated skillset of incumbent employees and the ensuing legacy effects.

These results suggest that in order to study the presence of a strategic role orientation, a broader analytical framework is required that both incorporates multiple elements within the HR function especially its structure, extent of devolution of HR activities and skill-set of personnel and responds to the multiple and conflicting perspectives of different stakeholders in a complex and fast-changing industry environment.

AlDakeel and Almannie (2015), in their study titled *"Achieving Competitive Advantage in Human Resource Management in Saudi Arabia"*, examined the role of management in achieving competitive advantage within the educational sector. Focusing on the General School District of Riyadh—one of the largest among the 45 school districts in the country—the study aimed to assess how management practices within school districts contribute to educational development and whether these practices align with principles of competitive advantage in human resource management.

The study used the descriptive survey, and the sample consisted of (226) despondence, (80) male employees and 146 female all working in General School District of Riyadh, questionnaire was used as an instrument for the study consisted of two parts, the first part is the personal information of respondents, the second part consist of nine dimensions to investigate human resources management as perceived by respondents. The study, sought to reveal the status of management of human resources in the general directorate of education in Riyadh and the role of such resources in achieving the competitive advantage on the consideration that competition is major factor in raising the performance level and the quality of educational system.

The study investigated human resource management which is a very important issue related to development of education in local level at the school district The purpose is to see if the nine roles investigated are implemented with high degrees to make the school district of Riyadh achieving competitive advantages in managing human resources for the school district is the closest to central decisions at the Ministry of Education. But the result of the study revealed that there are problems facing the school district in most of these roles which hinders the district from a achieving the competitive advantages. The findings indicated that the major barriers for HRM in achieving competitive advantage were the organizational behaviour and religious beliefs. The study revealed that in Saud Arabia there is corporate culture which influences many employees to fail to contribute significantly for the organisation to achieve competitive advantages. The outcome showed that some religious beliefs also plays a critical role in barring successful implementation of HRM efforts in achieving competitive advantage.

Cayrat and Boxall in 2023 conducted a study on “The Roles of The HR Function: A Systematic Review of Tensions, Continuity and Change”. This study provided a comprehensive review of continuity and change in the roles associated with the HR function and the tensions they entail, systematically covering over 50 years of research. It revealed that the normative models of HR roles, including the influential work of Ulrich (e.g., 1997), have stimulated greater interest in studying HR roles than the sociological studies conducted by the field’s pioneers. In terms of change, many HR specialists have sought to make a transition, through various means, towards a greater strategic role in organisations.

The literature analysis shows that the historical tensions associated with the HR function remain a defining continuity. As the paradox perspective suggests, they are lived with or adjusted to, with varying degrees of success. In contrast to the dichotomous view of HR roles that assumes a trade-off between strategic and operational roles, the review provides evidence of synergy or complementarity between them. This more integrative view of HR roles is clearly important for the pursuit of greater mutuality in the employment relationship, something that is often strongly valued by HR specialists. The study includes recommendations for future research to develop the theories and the research process on HR roles and practical implications on the role of HR on gaining competitive advantage in an organisation.

Mamman et al. (2018) did a research on “Employee Advocacy in Africa: the role of HR practitioners in Malawi”. The purpose of the study was to examine the extent to which human resource (HR) practitioners are perceived to play the role of employee advocate in order for them to substantially contribute to the success of the organisations. The quantitative data set was derived from a sample of 305 respondents (95 HR practitioners, 121 line managers and 89 employees) from Malawi.

The study findings reveal that despite the challenges of the context, HR practitioners are perceived by key stakeholders (including line managers and employees) to be playing the role of employee advocate. Standard multiple regression results indicate that the main factor contributing to the perception that HR is playing this role is their contribution to “motivating employees” hence the play a key role in improving the organisations’ performance on the market.

The studies reviewed above were conducted outside the country hence it demands further research in Malawi to investigate the role of HR in gaining competitive advantage. Though the study of Mamman et al. used Malawi as a case study, however, focused on exploring perceptions of the employee advocacy role undertaken by HR practitioners rather than the role of HR in gaining competitive advantage in an organisation. It must be further noted that there is limited literature of the same in the country hence the need to fill this gap.

2.7 Theoretical Framework

Resource-Based View theory is an influential approach in strategic management (Barney, 2001). It has been widely applied as a managerial framework to determine vital resources for a firm to achieve a sustainable competitive advantage. The theory provide an essential framework to explain and predict the fundamentals of a company's performance and competitive advantage.

The Resource Based View (RBV) theory takes an 'inside-out' view or firm-specific perspective on why organizations succeed or fail in the market place (Dicksen, 1996). Resources that are valuable, rare, inimitable and non-substitutable (Barney, 1991) make it possible for businesses to develop and maintain competitive advantages, to utilize these resources and competitive advantages for superior performance.

According to the theory, an organization can be considered as a collection of physical resources, human resources and organizational resources (Barney, 1991; Amit and Shoemaker, 1993). Resources of organizations that are valuable, rare, imperfectly imitable and imperfectly substitutable are main source of sustainable competitive advantage for sustained superior performance (Barney, 1991). According to Barney valuable resource 'must enable a firm to do things and behave in ways that lead to high sales, low costs, high margins, or in others ways add financial value to the firm'. Barney (1991). also emphasized that 'resources are valuable when they enable a firm to conceive of or implement strategies that improve its efficiency and effectiveness'.

The theory helps managers of firms to understand why competences can be perceived as a firms' most important asset and, at the same time, to appreciate how those assets can be used to improve business performance. RBV of the firm accepts that attributes related to past experiences, organizational culture and competences are critical for the success of the firm (Campbell and Luchs, 1997; Hamel and Prahalad, 1996). The resource-based view perspective has its origins in strategic management. RBV explains that the identification and possession of vital internal resources contribute to a firm's ability to create and maintain a competitive advantage and improve performance (Foss, 2016).

According to Goldsby and Zinn (2016) nowadays, the theory also attempts to explain and to predict why some organizations can create and sustain a competitive advantage. RBV theory argues that a firm can obtain sustained competitive performance from its controllable resources while they are valuable, rare, inimitable, and non-substitutable

(Barney, 1991). Authors argue that competencies are further developed when such resources are combined to create specific organizational capabilities (Trader and Gordon, 2007).A firm's level of innovation is closely related to its absorptive capacity and its ability to exploit its resources to support knowledge acquisition from internal and external sources (Lee and Wong, 2011). According to Lee and Wong innovation would be primarily used to leverage the actual strategic scope of business by reinforcing the value and inimitability of its resources. They further argued that innovation can enable a company to develop new products and explore new markets through the analysis of strategic scope.

The theory argues that not all resources are equal, and firms can achieve and maintain a competitive advantage by possessing unique, valuable, rare, difficult-to-imitate and non-substitutable resources and capabilities, often referred to as "VRIN" resources.

This theory applies to the study on the basis that when HR discharges their duties and are able to play the role effectively and efficiently, it enables the organisation to have competitive advantage on the market. It is imperative to adopt this theory as it depict that the prudent management of human resource in an organisation improves the company’s performance which leads to increase of returns that can be reinvested in the organisation hence registering competitive advantage.

2.8 Conceptual Framework

The role of human resources serves as the independent variable, reflecting the dynamic influence of a skilled and motivated workforce. This influence extends to the intermediate variable of resource management, encompassing the strategic allocation of diverse elements, including human assets. As organizations harness the potential of their workforce and strategically allocate various resources, they pave the way for enhanced performance and sustainable success. This journey ends in gaining a competitive advantage, where organizations leverage their human capital and strategically allocate resources to outperform competitors in the dynamic marketplace. This subsection illustrates what the researcher expects to find after the study. The section further indicates the independent and intermediate variables for this study and maps out how they relate to each other.

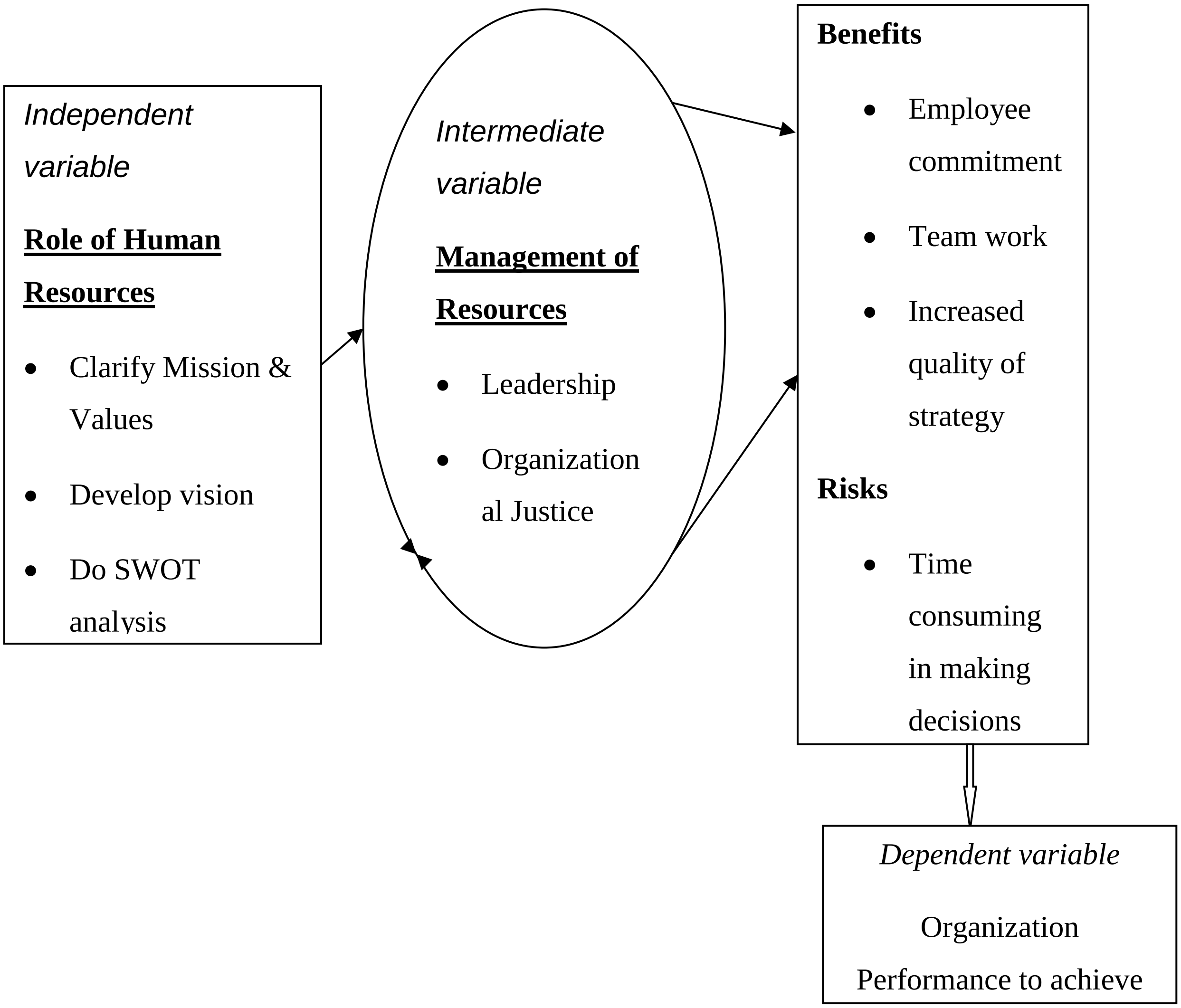

Figure 2.1: Conceptual Framework on role of HR in gaining Competitive Advantage

The figure demonstrates how strategic role of Human Resources contributes to achieving competitive advantage by influencing organizational performance through key intermediate variables. HR activities such as clarifying mission and values, developing vision, conducting SWOT analysis, and formulating action plans, serve as the foundation (independent variable). These actions impact intermediate factors like leadership, training, organizational justice, resource management, and work policies, which in turn shape organizational outcomes. Positive results include enhanced employee commitment, improved teamwork, and higher quality strategies, although risks like slow decision-making and internal divisions may arise. Ultimately, effective HR practices drive improved organizational performance, enabling the company to gain a competitive edge. Therefore, a well-managed and motivated workforce, combined with efficient resource management, contributes to superior organizational performance, ultimately leading to a competitive advantage in the marketplace.

2.9 Conclusion

This chapter has expounded the literature grounding this research on the role of Human Resources in gaining competitive advantage. The chapter has further articulated some concepts, definitions and explanations of terms used in this study. The chapter has also articulated the theory of Resource Based that is framing this study.

CHAPTER 3

METHODOLOGY

3.1 Introduction

This chapter presents the research methodology adopted in this study which was conducted in October 2024. The study’s specific objectives were to ascertain the policies and HR strategies at NBS Bank that support the organisation in gaining a competitive advantage, to establish how HR practices contribute to its market position, and to determine the barriers HR faces in implementing effective strategies, practices, and policies. The chapter first outlines the philosophical assumptions underpinning this research, discussing the researcher’s approach. The next section defines the scope and rationale for the research design, and details of data analysis. It also provides an overview of the data collection methods used for this research. The chapter concludes by discussing issues of rigor and trustworthiness and ethical considerations.

3.2 Research Philosophy and Design

This study was guided by a research philosophy of interpretivism because the research concentrated on how the role of HR assist or contribute to the organisation’s competitive advantage. According to Saunders et al (2023), research philosophy of interpretivism refers to a system of beliefs and assumptions about the development of knowledge. They further stated that Interpretivism is complex; rich socially constructed through culture and language and has multiple meanings, interpretations, realities flux of processes, experiences, practices theories and concepts on narratives, stories, perceptions and interpretations. This study adopted interpretivism because the present research focused much on how HR assist the organisation to efficaciously compete on the market against its competitors.

This study is qualitative research as it was aimed at gathering in depth insights in relation to HR role's in gaining competitive advantage. The researcher adopted the qualitative research technique as it aimed at gathering opinions, suggestions and perceptions of how HR are substantially contributing to organisation's competitive advantage. Wyse (2011) describes qualitative research as primarily exploratory research used to gain an understanding of underlying reasons, opinions, and motivations and it provides insights into the problem or helps to develop ideas or hypotheses for potential quantitative research. Wimmer and Dominic argue that qualitative research is advantageous in a way that it increases researcher's in-depth understanding of the phenomenon under investigation specifically when it has not been investigated before.

The study demanded to identify themes and attitudes among others hence selecting this approach. Tracy (2012) stated that qualitative research design is well suited for exploring attitudes, values and beliefs of a particular topic. The method transcends the point of counting words or extracting objective content from texts to assess meanings, themes that re manifested in a text. This study therefore employed this technique to analyse the role of human resources in competitive advantage, the case of NBS Bank.

3.3 Research Strategy

Research strategy refers to the plan or scheme used to carry out the process of searching for and assessing information in a research activity (Saunders et al., 2019). This study used Case Study research strategy. According to Tracy (2012) research strategy is an empirical inquiry, which investigates a contemporary phenomenon within its real-life context, especially when the boundaries between phenomenon and context are not clearly evident. Saunders et al., 2019) argued that Case Study provides a rich understanding of a real life context. It is against this background that this study adopted this strategy because it aimed at assessing a contemporary phenomenon within its real-life context of NBS Bank.

3.4 Population and Study Area

The study population comprised of HR professionals from HR department (Head office) and those that do HR roles in southern region branches. The population consists of 25 people sampled from the HR department (Head office) and 9 in the southern region branches totaling to a population of 34. This means that anybody outside these two categories did not take part in the study. The bank had been selected against the background that in the past (2015 to 2020) it used to register heavy loses or meagre profits while other commercial banks in the country were posting huge profits (www.mwnation.com). The case has been different in 2022-2023 financial year where it has registered significant profits by almost double. It is on this basis that this researcher was determined to investigate the role HR played on assisting the organisation in gaining competitive advantage against its competitors on the market. Below is a table showing the Positions held, Locations, Total Sample and Date of study

Locations	- Head office (Blantyre) - Blantyre branch - Zomba branch
Positions held	- Senior management - Middle(supervisory management) - Junior staff
Total Sample	20
Date of study	October, 2024

Table showing the Positions held, Locations, Total Sample and Date of study

3.4.1 Sample and Sample Design of the Study

The sample size for this study consisted of 20 which includes HR professionals and service center managers. The study employed a qualitative research methodology where the focus was on the depth and richness of the data rather than the quantity. A sample size of 20 participants was sufficient to reach data saturation where no new themes or insights emerge. The saturation approach enhances the study's validity and depth, preventing premature conclusions as well as ensuring a nuanced understanding of the research topic

(Saunders et al., 2019). In addition the saturation approach adds rigor to the research process, yielding more reliable and meaningful results. The data saturated when the study had collected data from 20 HR Professionals at NBS Bank.

This study used purposive sampling technique. The purposive sampling technique was used to select the 20 participants at NBS Bank. Dominick and Wilmer (2006) stated that a purposive sample is selected by targeting subjects or elements based on specific characteristics or qualities they have, sideling those who fail to meet the requirement. This means that the inquirer selects individuals and sites for study because they can purposefully inform an understanding of the research problems and central phenomenon in the study (Creswell 2007 p: 125). This study used this technique to select respondents at NBS Bank who met the criteria of the study.

3.5 Data Collection Instrument

The data collection method used was Key Informants Interviews as the primary data collection method. The study used Key Informant Interviews to get an in-depth experience and knowledge from Managers and Supervisors at NBS Bank Limited. Interview guide was adopted to ensure that there is consistency and depth in the information gathered. Key informant interviews were chosen for their ability to provide detailed insights from the individuals with specialized knowledge relevant to the study. As stated by Mikklelsem, (1995) that key informant is an individual who is accessible, willing to talk and has great in-depth information about the issue in question.

3.6 Data Management and Analysis

All data collected during the research and any other relevant documents has been stored securely in a place that can only be accessed by the researcher. The researcher used thematic analysis and content analysis to analyse data. Thematic analysis was particularly appropriate for this study as it enabled the identification, analysis, and interpretation of patterns or themes across the dataset. Themes were initially guided by the research objectives but remained open to refinement as new insights emerged from the data. Anticipated areas of key thematic focus policies related training and development, performance management, alignment of HR with business strategy, strategies related to talent acquisition and retention, employee engagement, and practices promoting employee engagement and satisfaction. Additionally, themes related to diversity and inclusion, leadership development, and HR's role in strategic planning were considered, along with barriers such as legal and compliance, resource constraints, and limited technological infrastructure. These themes helped structure the analysis and interpretation of data, offering a comprehensive understanding of the role HR plays in enhancing competitive advantage at NBS Bank. The thematic approach ensured that findings were grounded in participants' experiences and aligned with the study's interpretivist paradigm, enabling a rich exploration of perceptions, practices, and challenges within the HR function. Ezzy (2000) describes this method of data analysis as a way of analyzing data by organizing it into categories on the basis of themes, concepts or similar features. The procedure employed is primarily designed to reduce and categorize large qualities of data into more meaningful units for interpretation.

3.6.1 Validity and Reliability

The study ensured that the data collected was both valid and reliable, leading to credible and trustworthy findings that accurately reflects the research by having Key Informant interview guide which was developed based on a thorough review of the existing literature to ensure that the questions were relevant, comprehensive and aligned with the study's objectives

3.6.2 Research Dissemination

The study outcome has been disseminated to the university of Malawi academic community by preparing manuscript that were presented to the department with the aim to contribute to the body of knowledge within the field as well as contributing to the academic dialogue and inform future research in the field. In addition the feedback of the research findings were presented to the organization involved in this study for future use.

3.7 Ethical consideration

This study considered special consideration on ethical issues. It is required that a good research takes into consideration research ethics in order to have a good outcome (De Vaus, 2002; Tent, 2001). As such, the study was guided by moral principles to ensure professionalism. The study meets ethical and acceptable criteria of research for collecting data at NBS Bank. No person was forced to participate in the study and the identity of the respondents remained anonymous. All the quoted sources and every material and information not belonging to the researcher were attributed accordingly. The researcher comprehended with instructions of the key informants on how to treat the data that was provided to avoid any prejudices and unprofessionalism. In addition, the researcher was granted ethical clearance by the University of Malawi Research Ethics Committee (UNIMAREC).

3.8 Limitations anticipated

In general the key weakness in qualitative research method is the potential for selection bias as the participants are chosen based on the researchers judgment rather than random selection which can lead to subjectivity in the sampling process as a result the findings may not be generalized to a broader population. However, this study sought to mitigate selection bias by using purposive sampling aimed at selecting participants with relevant experience, and by ensuring data saturation was reached. The limitations of this study also include its inability to make causal inferences because it just focused on describing the phenomenon and that it did not test the research problem statistically. Therefore, future study can use rigorous statistical analysis (test) to measure the relationship between the role of human resources and competitive advantage. Time factor was a limitation too since the researcher was expected to complete this study within a specified timeframe. Despite this, prolonged engagement with participants was prioritized to ensure rich, meaningful data collection within the available time.

3.9 Conclusion

The chapter has expounded the overview of the research philosophy and methods to be used for designing the study, collecting data, analyzing and presenting the findings. It has also validated why each research instrument has been selected in the study. This chapter has also provided a theoretical basis and structure for qualitative research. The chapter also presents the methods of data collection; it focuses on the targeted population, sample selection, sampling procedures and data analysis and presentation.

CHAPTER 4

RESULTS AND DISCUSSION OF THE STUDY

4.1 Introduction

This chapter presents the findings and interpretation of data collected during the study titled *"The Role of Human Resources in Gaining Competitive Advantage in Organisations: A Case of NBS Bank."* As a qualitative study, data was analyzed using thematic analysis to uncover patterns and insights from participant perspectives. While the thematic approach guided the interpretation, the findings are presented according to the study's specific objectives to ensure a structured and focused discussion. The chapter begins by outlining the demographic characteristics of the participants to provide contextual background, followed by a detailed presentation and discussion of the findings aligned with each research objective, supported by quotations and linked to relevant literature.

4.2 Demographics of participants

4.2.1 Gender of Participants

Table 1: Gender of Participants

Gender	Number of participants	Percentage of participants
Male	11	55
Female	9	45
Total	20	100

As indicated in Table 1 the study used more males than females. However, the difference between the two groups was insignificant. The different can be alluded to the fact that most top officers in organisations in the country are males.

4.2.2 Age Range of Participants

The study also wanted to establish age range of the respondents. The researcher categorized the age range of the participants in the bracket of below 30, 31-40, 41-50 and 51 above. The findings indicate that 1 participants is in the age bracket of below 30 representing 5 %, 5 in the age range of 31-40 representing 25 %, 10 in the bracket of 41-50 representing 50 % and 4 in bracket of 51 years and above translating into 20 %.

Table 2: Age Range of Participants

Age	**Number of participants**	**Percentage of participants**
Below 30 years	1	5
31-40 years	5	25
41-50 years	10	50
Above 51 years	4	20
Total	20	100

The findings indicate that most of respondents are in the age range of 41-50 years. This shows that most of the HR Professionals at the NBS bank belong to this age range. This can be attributed to the fact that in Malawi, it takes time one to secure job or promoted to high position.

4.2.3 Respondents Highest Level of Qualification Obtained

The study was also interested in appreciating the academic qualifications that the participants hold. The outcome has shown that only 1 participant hold a Diploma representing 5%, 15 employees have Bachelor’s Degree representing 75% and 4 participants hold Master’s Degree representing 20 %.

Table 3: Education Background of Respondents

Educational Qualification	Number of participants	Percentage of participants
Diploma	1	5
Bachelor's Degree	15	75
Master's Degree	4	20
Total	20	100

The findings show that most of the employees (75 %) hold Bachelor's Degree as indicated in Table 3 signifying that most employees are in a position to understand the organization's HR Policies, Strategy, Practices and Barriers in gaining competitive advantage.

4.2.4 Respondents Position Held

The researcher wanted to establish the positions that participants at NBS Bank hold in the organization. The findings indicate that 8 are senior staff representing 40 %, 10 are middle management staff representing 50 % and 2 are junior staff translating into 10%.

Table 4: Participants Positions at NBS Bank

Position Held	Number of participants	Percentage of participants
Senior Management staff	8	40
Middle (supervisory) Management staff	10	50
Junior staff	2	10
Total	20	100

The findings in the Table 4 above show that most of the participants were middle management staff representing 50% of the total respondents. This can be alluded to the fact that most HR Practitioners in organisations are middle managers.

4.2.5 Duration the Employees have worked for NBS Bank

Out of the 20 respondents, the study found out that there was varying period/duration that participants have worked with NBS Bank as follows: 2 employees have worked for less than 5 years representing 10 %, 6 workers have worked for the organization between 6 to 10 years representing 30 % while 12 employees have worked for more than 10 years translating into 60 %.

Table 5: Number of years the employees have worked for NBS Bank

Duration of work	**Number of participants**	**Percentage of participants**
Less than 5 years	2	10
6-10 years	6	30
More than 10 years	12	60
Total	20	100

The findings show that most employees have worked for at least 10 years; an indication that there is high job retention at NBS Bank.

4.2.6 Work of Residence

The study was determined to find out the work residence of the participants. The outcome shows that 12 respondents were from the Head Office in Blantyre representing 60 % while 5 Zomba representing 25% and 3 from Blantyre representing 15 %.

Table 6: Work Residence of Participants

Location of place of work	**Number of participants**	**Percentage of participants**
Head Office-Blantyre	12	60
Zomba branch	5	25
Blantyre Branch	3	15
Total	20	100

The findings as indicated in Table 6 show that the study used both employees at the head office and branches in order to solicit wide variety of views.

4.3 HR policies at NBS Bank that support the organisation to gain competitive advantage on the market

The research was determined to establish HR policies at NBS Bank that support the organisation to gain competitive advantage on the market. The findings have indicated that NBS Bank has a number of policies aimed at enhancing its competitive advantage on the market. The participants stated that the bank implements specific policies to augment its competitive advantage on the industry's market.

The study revealed that the bank has training and development policy in which it offers training programs to their employees to upgrade their skills hence they are able to cope with the industry trends and regulations. The participants stated that they organize in-house trainings regularly where HR personnel and other senior level managers facilitate to equip employees on how they can assist the bank to perform extremely well in the banking industry in Malawi. The findings further show that some of the trainings are conducted by international experts which are hired by the bank to come and do trainings with all the employees but on different sessions. The bank also hire local experts from consultant firms as well as tertiary institutions such as Univeristy of Malawi (UNIMA) and Malawi University of Business and Applied Sciences (MUBAS) to do trainings. The findings have showed that these trainings have assisted employees to devise ways on how to retain customers and also increase the bank's customer base. The study revealed that the staff apply international and local innovations when providing services to the customers.

The research outcome has also showed that the bank has a policy on talent acquisition. The participants stated that the bank attracts top talent by offering good salary packages as well as other benefits such as education and housing loans, medical care insurance, attractive annual leave grant, fuel allowance for some grades and bonuses. These packages attract talented and skilled employees from other banks or industries to join NBS Bank. These new employees bring their talents and skills to the bank which vigorously assist in gaining competitive advantage on the market. One participant observed that:

> *"The NBS Bank targets talented and skilled bankers and other individuals to join the bank and offers them competitive remuneration. This policy has extremely assisted us over the recent years since our performance on the market has significantly improved and this is assisting the bank too to be retaining customers at the same time attracting new customers. At the end the bank is registering profits which is assisting to have returns for reinvesting in the bank hence gaining more competitive advantage on the market"*.

The findings have also revealed that NBS Bank has a policy on performance management which provides guidance on how to assess performance of the employees to guarantee efficiency and professionalism among its workers. The study has revealed that the bank undertake performance appraisal regularly to make sure that they always give feedback to the employees on how they are performing in order to improve productivity and achieve the organisation's goals. The outcome further indicate that this appraisal assist the bank to identify the common shortfall among its employees hence organizing trainings to address them.

The study also wanted to establish how HR polices at NBS Bank are aligned with the overall business strategy to foster a competitive edge. The research has indicated that the HR department ensures that in all strategic positions have skilled professionals that are able to execute the bank’s business strategy effectively. The HR department also prioritise on trainings to ensure employees are equipped with necessary skills needed in new technologies and innovations within the banking industry.

The study has further revealed that the bank promote employee engagement to guarantee that HR polices at NBS Bank are aligned with the overall business strategy hence registering competitive advantage. It has been established that the employee engagement activities at NBS Bank have many benefits to the organization, such as enhancing employees’ focus on organizational goals; defining clear program priorities; improving communication with external stakeholder groups; improving decision-making ability regarding programs, systems, and resources; building a positive organizational culture and improving the ability to deliver high quality services.

According to Poister (2010) organizations that routinely engage in policy planning activities realize a number of benefits (Poister, 2010). Involving employees in policy execution is crucial for successful strategy formation. Successful business strategy formulation and implementation require the involvement and commitment of managers and employees on all levels (David, 2015). A failure to involve key people often results in implementation failure. He further stated that during the whole policy formulation and execution process, it is essential to involve middle managers and key lower level employees in decision-making about the strategy and its execution. In the end, employees are the ones who have to execute the strategy (Claassen, 2015). He further stated that top management may develop the policy and strategies but needs to spend significant amounts of time discussing it with managers and employees at lower levels within the organization.

The research was also determined to establish how NBS Bank's HR policies focus on employee development and retention to maintain a competitive workforce. The findings has revealed that the bank devise mechanisms to ensure that HR policies focus on employee development and retention. The study has showed that this is executed through: training and development programs, performance management and feedback, giving clear career paths within the organisation and giving competitive compensation and benefits.
One respondent said:

> *"The bank strive to guarantee that HR policies focus on employee development and retention because this is the backbone of guaranteeing that we maintain a competitive workforce hence we continue achieving competitive advantage on the market. Though it is costly but the bank constantly facilitate training and development programs. The organisation further use modern ways in performance management which assist in assessing the performance of its employees at the same time getting feedback on their service delivery. Additionally, the bank normally give clear career paths to its employees within the organisation and offers competitive compensation and benefits to its employees too".*

The study also wanted to determine how NBS Bank's HR policies address work-life balance and employee well-being as factors in maintaining competitiveness. The study has revealed that the bank addresses these issues through: having flexible working hours, ensuring that all employees go on their annual leave, having wellness programs for instance, once or twice a week employees engage in fitness exercise after work. The study has further showed that the bank create a supportive and inclusive work environment for its employees and it always facilitate recognition and rewards for outstanding employees. The findings have showed that this assist the bank in achieving competitive on the market since the staff are motivated and strive to promote their bank.

The research also sought to establish how NBS Bank's HR policies address employee engagement to ensure a motivated workforce and enhance competitiveness. The findings revealed that the bank encourages employee involvement and participation. According to Van der Mass (2016) employee participation allows top management to tap into the specialized knowledge of lower-level employees. Lower-level employees have specific knowledge about operational and day-to-day activities. This improve the service delivery hence having competitive advantage on the market. According to David (2015), participation allows management to stay in touch with lower levels of the organizations**.** It is important for top management to know what is happening in the organization on all levels. He argued that by allowing employee participation, management may find out where there is support for the organisation policies and where resistance can be expected. This can be helpful for communicating the policies to the organization and obtaining organizational member commitment to these policies.

The study furthermore wanted to establish how NBS Bank's HR policies adapt to industry changes and evolving market conditions to sustain a competitive advantage. The outcome has showed that the bank realize that the banking industry is experiencing industrial changes and evolving market conditions hence the need to establish policies that would be assisting its employees to adapt to these dynamics. The bank has continuous learning and development programs in order to guarantee that the employees always learn new technological changes and innovations which are new in the banking industry. This assist them to adapt to any changes hence having efficient and professional service delivery.
The outcome further indicated that the bank fosters a culture of innovation and creativity by encouraging employee to come up with new ideas such as new products that could be launched on the market. The findings have showed that this has significantly supported NBS Bank to register competitive on the market since it has launched many products which other banks were not offering such as Easy Gold. The bank additionally, maintain flexible work arrangement to accommodate the employees such as work life balance.

4.4 HR Strategies at NBS Bank that contribute to the Company's Competitive Advantage

One of the objectives of the study was to establish HR Strategies at NBS Bank that contribute to the Company's Competitive Advantage. The study results indicate that there are a number of strategies which the bank employ to contribute to the bank competitive advantage on the market.

The participants stated that NBS Bank employ several strategies to attract and retain top talent in the industry. They argued that the bank make sure to attract and retain top talent in the industry by offering competitive salaries and attractive packages. This supports the bank to be able to compete favorably on the market.

The findings has also indicated that the bank provides opportunities for career growth and development to its employees. This motivates the employees hence being committed to their work at the bank as the result they contribute significantly in achieving competitive advantage in banking industry.
The outcome has further revealed that the bank encourage employee training and education programs to enhance skills and promote professional advancement. This strategy is critical in ensuring that the employees of NBS Bank acquire new and dynamic skills that enables them to discharge their duties and responsibilities professionally.

The research was further determined to reveal How NBS Bank align its HR strategies with the overall business objectives to enhance competitive advantage. The findings has revealed that NBS Bank ensure that its workforce possesses the skills, knowledge, and capabilities needed to achieve strategic goals of the organisation. It is against this background the bank organizes workshops, in-house trainings and partnerships with universities and international institutions that provide comprehensive skills, knowledge and skills to the employees.

The findings has also indicated that NBS Bank recruit and retain employees with talent and specific expertise that is relevant to the bank's business priorities. This strategy significantly assist the bank to maintain its competitive position in the market. One participant stated:

> *"The HR Department identifies employees with talent or specific expertise in all departments such as IT, Marketing and Accounts among others and the bank retain this staff using different initiatives and mechanisms in order to continue having competitive edge on the market."*

The research further sought to establish how NBS Bank foster a positive organizational culture through its HR strategies, contributing to a competitive position. The findings have showed that NBS Bank regularly orient its staff the bank's core values which are:

commitment, collaboration, integrity, customer focus and teamwork. Organizational culture is a powerful driving force that leads and reinforces organizational behavior. Wanjohi (2014) stated that organisational culture is a systematic collection of values and beliefs and the norms are supported by members of the organization and corporate culture makes the distinction between organizations. NBS Bank inculcate organizational culture which propel its staff to significantly contribute to the bank's strategic position in the banking industry hence having competitive advantage.

The research further wanted to ascertain how NBS Bank implements its HR strategies to meet the evolving needs of the employees and the industry. The outcome show that the bank constantly gather feedback from employees during performance appraisal, meetings, conferences among others and they take proper action to enhance mutual relationship with its workers.

The study further sought to identify employee engagement strategies at NBS Bank that are specifically designed to enhance competitive advantage. The outcome has revealed that the bank has devised a number of strategies aimed at involving the employees in enhancing competitive advantage. The findings show that the bank has Recognition and Rewards Programs, for instance, outstanding employees (on performance) and long serving employees (10yrs above). The bank also offer career development opportunities, having employee feedback mechanisms and promoting diversity. These strategies significantly motivate the employees to subsequently contribute to the bank in achieving competitive position in the market.

The research also wanted to determine how NBS Bank utilize performance management as a strategic tool in gaining a competitive edge. The outcome has indicated that the bank align individual and team performance with organizational goals, driving accountability, fostering a culture of continuous improvement, and rewarding high performance. One participant observed:

> *"The bank utilize performance management because it realize that for the organisation to achieve competitive advantage in banking industry, the employees have to play a key role hence a need to involve all the staff in this process. The bank keenly managed performance of its employees by ensuring that correlates with organizational goals."*

The researcher also was eager to establish the measures which NBS Bank take to ensure that its HR strategies are fit and responsive to market changes, contributing to sustained competitiveness. The findings have revealed that the bank continuously monitor the external business environment, including industry trends, regulatory changes, technological advancements, and competitor practices. The outcome has revealed that the bank has software and well trained staff whom their responsibility is to vigorously monitor external business environment hence enabling the bank to make quick decisions and adapt to any trend or technological advancements. This guarantees the bank to remain competitive on the market.

The study has further indicated that the bank engage with key stakeholders, including employees, managers and customers to identify ways that can ominously contribute to the company's competitive advantage. According to the research by Ziegler (2017), engagement of employees in strategic initiatives would have or has had a positive effect to the organisation. This means that allowing workers to participate in company's strategies' activities makes them to be highly engaged in their work.

4.5 How HR practices at NBS Bank assist the organisation to gain competitive position on market

The other objective of this study was to establish how the HR practices at NBS Bank assist the organisation to gain competitive position in banking industry. The study has revealed that NBS Bank has a number of HR practices that it uses to support the bank to gain competitive advantage in the banking industry. These include top talent acquisition, building a skilled and motivated workforce, having training and development programs, promotion of employee engagement and satisfaction.

The findings indicated that the bank has built a skilled and motivated workforce hence it stay competitive in the banking industry. According to the participants this is achieved through: having effective recruitment strategies to ensure that the bank attracts top talent by sourcing candidates with the right skills and cultural fit to thrive in the industry, having continuous learning programs to help employees stay updated with industry trends, technological advancements, and regulatory changes, enhancing their skills and adaptability, providing growth opportunities and career paths within the organization. The outcome has proven that these HR practices has vigorously assisted NBS Bank to gain competitive advantage over the recent years. This corresponds with their recent 5 years Financial Reports (2019-2023) which show that the bank has been registering huge profits against the back that it used to register minimal profits or losses before 2018.

One participant observed:

> *"The bank is very strict in its recruitment and selection processes to guarantee that it attracts top talent in the industry. The bank has panel interviews which also invites consultants to assist in in the recruitment and selection processes to ensure fairness and professionalism. The bank also conducts aptitude tests to prospective staff who would be recruited as junior staff. This ensures that the bank employs right candidates who would be able to contribute significantly in achieving competitive advantage on the market."*

The researcher further sought to establish how NBS Bank use training and development programs to improve employee capabilities and maintain a competitive edge. The study has revealed that the bank offers training programs that focus on technical skill, digital banking platforms and cyber security. This helps the employees to develop capabilities which enables them to discharge their duties professionally. The staff is in apposition to offer customer tailor made services hence increasing customer base too.

The study further indicated that the bank provides training in marketing techniques. This is assisting the bank to be achieving customer's satisfaction hence attracting more clients over the recent years. The bank put its customers a priority since they are the ones who drives the bank therefore the employees of the bank are well equipped in serving them. The findings also revealed that the bank ensures that the employees receive regular training on compliance policies, regulatory requirements, and ethical standards. NBS Bank is very strict on this in order to meet minimum standard of the Reserve Bank of Malawi, the financial regulatory in the country. The bank further adheres to international banking standards to be able to offer competitive services on the market hence having competitive position in banking industry.

The researcher further sought to ascertain specific HR initiatives at NBS Bank aimed at promoting employee engagement and satisfaction for a competitive advantage. The findings has showed that the bank has a number of initiatives aimed at satisfying their employees such as recognizing and rewarding employees for their contributions and achievements, offering opportunities for career advancement, skill development, and training programs. The bank also promotes employee engagement through regular feedback and communication and organizing social events and team-building activities. Some participants alluded to the fact that engaging all employees is linked to the performance of the organization. These respondents indicated that employees know what the organization intends to achieve hence work towards that goal since they are familiar with the banks plans.

The study also wanted to establish how NBS Bank address succession planning and talent retention to ensure a strong leadership pipeline and competitive positioning. The outcome revealed that the bank identify high potential talented employees through performance evaluations and assessments, conduct mentoring and coaching and offer continuous learning and development opportunities. All these significantly assist the bank to adequately developed skilled employees who can easily replace other staff who can leave the bank through retirement, death and secure new jobs among others.

One respondent said:

> *"We understand that despite strategies and policies to retain the staff, however, other employees have to leave the bank because of reaching retirement age or death therefore we ensure contingency plan of succession is vibrant hence we don't create the gap."*

Another participant commented:

> *"So far we have seen young people successfully taking over strategic positions and performing extremely well which is very encouraging and commendable. This means our succession plan is working and we give opportunities to all staff to be able to take up any responsibility as longer as they are demonstrating that they are capable."*

4.6 The barriers HR face in implementing effective strategies, practices and policies for gaining competitive advantage.

The other objective of this study was to establish the barriers HR face in implementing effective strategies, practices and policies for gaining competitive advantage. The findings have indicated that there are a number of barriers in which HR personnel encounter in implementing effective strategies, practices and policies which are aimed at gaining competitive advantage for the organisation.

The study has revealed that NBS Bank experiences challenges such as legal and compliance issues, for instance complying with labour laws and regulations add complexity to implementation. Some of the participants stated that sometimes their strategies or policies can be at odds with countries labour laws or regulatory framework which makes it difficult to implement them. They further stated that though the policies or strategies can be efficiently drafted but end up be modified to suit country's labour laws or legal framework. This affects the implementation process hence not yielding wholly the expected results.

The findings has also revealed that attracting and retaining top talent in a competitive market can be challenging. The participants argued that with the coming in of a number of players in the financial sector, top talent personnel are on high demand hence not easy to attract them. The research has also showed that rapid advancements in technology require banks to continuously upgrade the skills of their workforce, addressing the gap between existing skills and those needed in order to stay competitive. The participants observed that this is expensive but also difficult to other personnel in adapting to such technological changes.

The researcher further sought to establish the obstacles or resistance from employees that HR faces when implementing new practices to enhance competitiveness. The outcome has revealed that employees may fear the unknown and be resistant to changes in their daily routines, job responsibilities, or work processes. The other participants argued that some staff are resistant to change hence sometime this restraints the HR personnel to implement drastic changes in time. The findings further showed that some employees may perceive new practices as a threat to their job security, especially if automation or technology adoption is involved, additionally some are resistance to technology adoption. These affects the HR personnel in implementing policies and strategies aimed at gaining competitive advantage on the market.

The study was also determined to establish how the HR department navigate potential conflicts or resistance from various stakeholders when rolling out competitive strategies. The findings have revealed that the department involve key stakeholders, including employees, managers, department heads, and union representatives, in the decision-making process.

One respondent stated:

> *"Employees take ownership of the policies and strategies if they are involved and are able to work in order to achieve the set goals because they had been present in the planning phase. They feel embarrassed to fail to comply with the demands of the plan since they know it comes from them. This influences them to put much effort and hence compliance is high once the employees are engaged in the decision making process of the organization".*

The participants also said they offer training programs to equip employees with the skills and knowledge needed to support the implementation of competitive strategies. This significantly assist them to easily implement the strategies and policies aimed at gaining competitive advantage.

The study further determined to identify external factors that pose challenges to HR in implementing policies aimed at gaining a competitive edge in the market. The findings have shown that regulatory environment as changes in regulations have an impact on HR policies and practices, requiring compliance adjustments and potentially affecting competitiveness. The outcome further show that economic conditions in the country can also affects the implementation of the strategies, policies and HR practices aimed at gaining competitive advantage on the market. The researcher has also established that rapid advancements in technology, such as digital banking platforms, can disrupt traditional banking practices and require banks to adapt their HR policies to attract and retain employees with relevant skills.

The study further sought to determine how HR at NBS Bank handle the balance between regulatory compliance and implementing innovative strategies for competitive advantage. The findings have revealed that the bank normally have a deep understanding of relevant laws, regulations, and industry standards governing the banking sector. This ensures that all HR practices, policies, and initiatives remain compliant with legal and regulatory requirements. The outcome also indicated that the bank provide ongoing training and development opportunities for HR staff and employees to ensure awareness of regulatory requirements and best practices and collaborating with legal and compliance teams.

The study intended to know how the communication challenges HR Personnel encounter in ensuring that employees understand and align with competitive strategies and policies. The study has revealed that the major communication challenge the bank experience is geographical dispersion since the organisation has several banks across the country therefore some employees in other branches hardly understand fully the communication though is shared to them instantly. Some employees are reluctant to seek clarification when cannot fully understand the message.

The study also wanted to determine some of the organization cultural barriers that HR needs to address when implementing initiatives for gaining a competitive advantage. The findings have indicated that the major organizational cultural barriers are Hierarchy and Bureaucracy. Some participants argued that some policies and strategies have to be approved by several offices and top managers hence much involving and time consuming. The study has also showed that resistance to change is another corporate culture, which affects the implementation of initiatives aimed at gaining competitive advantage.

4.7 Conclusion

This chapter has presented the findings of the study. The chapter has provided in-depth discussions in relation to each individual research objective. The discussions have been aided with tables, figures and quotes. The data findings have been interpreted to support how human resources assist an organisation to gain competitive advantage on the market.

CHAPTER 5

CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the conclusion drawn from the present study which sought to establish "The Role of Human Resources in Gaining Competitive Advantage in Organisations: Case of NBS Bank". The research objectives were successfully met and all research questions were thoroughly address. Therefore, the study concludes the findings and makes a logical conclusion on the role of human resources in assisting organisations to gaining competitive advantage on the market. This chapter summarised the key findings, discussed their implications and outlines recommendations for future research practice.

5.2 Conclusion

Through a comprehensive analysis of the specific objectives on how HR policies, strategies and practices help an organization to gain competitive advantage, the findings provide a significant insights into the role of human resource in gaining competitive advantage in an organization. The study provides following conclusion on each objective which the researcher answered.

Firstly, the study concluded that NBS Bank has a number of policies aimed at enhancing its competitive advantage on the market. These policies include Training and Development, Talent Acquisition, Performance Management. HR department ensures that in all strategic positions have skilled professionals that are able to execute the bank's business strategy effectively. Organisations promote employee engagement to guarantee that HR polices are aligned with the overall business strategy hence registering competitive advantage. The findings correlate with Eko Budi Harjo study conducted in 2015 on "Gaining

Competitiveness in the Global Business World through the Implementation of International Human Resource Management Policies. The study concluded that HR policies played a critical role to companies to gain competitive advantage in Asian Economic Community.

Secondly, the study has concluded that there are a number of strategies which the NBS bank employs to contribute to its competitive advantage on the market. These include providing opportunities for career growth and development, ensuring that its workforce possesses the skills, knowledge, and capabilities needed to achieve strategic goals of the organization, ensuring that its HR strategies are fit and responsive to market changes, contributing to sustained competitiveness, continuously monitor the external business environment, including industry trends, regulatory changes, technological advancements, and competitor practices, recruit and retain employees with talent and specific expertise that is relevant to the bank's business priorities. This agrees with some national policies being implemented by the government such as *Malawi Vision 2063: An Inclusively Wealthy and Self-reliant Nation* which aims at transforming Malawi into a wealthy and self-reliant industrialized ‘upper middle-income country’ by the year 2063. As well as Malawi Growth and Development Strategy (MGDS) III (2017—2022) which argues that employees must fast track transformation in their work in order to be innovative hence contributing to the success of their organizations through increased wealth creation

Thirdly, the study concluded that NBS Bank has a number of HR practices that they use to support the organisation to gain competitive advantage in the banking industry. These include building a skilled and motivated workforce, having training and development programs that focus on technical skill, digital banking platforms and cyber security, promoting employee engagement and satisfaction as well as having a clear succession plan.

Lastly, the study has concluded that there are a number of barriers in which HR personnel at NBS Bank encounter in implementing effective strategies, practices and policies which are aimed at gaining competitive advantage for the organisation. The challenges such as legal and compliance issues, retaining top talent, employee resistance to change, external factors like changes economy, technology and labour laws and potential conflicts or resistance from various stakeholders when rolling out competitive strategies.

5.2.1 Implications of the study

The findings of this study imply that for an organization like NBS Bank to achieve sustained competitive advantage, HR policies must be intentionally aligned with the broader business strategy. This alignment ensures that the organization is not only responsive to internal goals but also adaptable to external changes. The integration of career development, continuous learning, and strategic workforce planning into HR functions highlights the critical role HR plays in maintaining organizational competitiveness.

Furthermore, the study suggests that effective HR strategies can have implications beyond the organization itself, contributing to national development objectives such as those outlined in Malawi Vision 2063 and MGDS III. This emphasizes the strategic importance of HR in driving broader socioeconomic transformation. However, for these benefits to be fully realized, NBS bank must actively address the barriers that impede HR effectiveness. Legal and regulatory hurdles, talent retention challenges, and resistance to change must be managed proactively. In doing so, the bank can fully leverage its human capital as a key driver of competitive advantage in an increasingly dynamic and complex business environment.

5.3 Recommendations

As observed in the findings, human resources plays a critical role to an organisation in gaining competitive advantage on the market. The research, however has established some gaps hence devised some recommendations. The study recommends:

1. Refresher Course: NBS Bank should conduct regular refresher courses to their employees on the HR policies and Strategies so that they have full knowledge; and should embrace various ways of engaging employees on their views concerning the organizational HR policies and Strategies instead of depending on common platforms such as staff meetings. This will help to foster cordial working relationships in the organisations at the same time, eliminating all internal barriers when implementing them.

2. Regulatory Adherence: NBS Bank must frequently engage regulatory bodies such as Reserve Bank of Malawi to be orienting their staff on new policies and laws governing financial industry rather than heavily relying on consultants whom are third party. This will help to eliminate challenges faced in legal and regulatory compliance.

3. Invest in Technology: NBS Bank should invest in technology that enhances workforce management and also provide adequate training and education to all its employees about new technology and its benefits by communicating the change clearly and collaborating with the employees to ensure that they understand the need for the change and how it will impact them to eliminate employee resistance to change.

5.4 Area of Further Study

This study was qualitative and focused on the role of human resources in gaining competitive advantage in organisations. During the investigations, the researcher observed a number of areas related to the study which can be pursued further in order to create a solid ground for generalization of the research findings.

1. Further study is required to confirm or refute the present study's findings. This study was qualitative in nature. Future research could validate this observation by using rigorous statistical analysis (test) to measure the relationship between human resources policies and strategies and organisation gaining competitive advantage on the market.

2. There is a need to explore further on how the availability of resources of an organization affect HR policies, strategies and practices in gaining competitive advantage on the market.

5.5 Conclusion

This chapter summarized the findings of the study on the role of human resources in gaining competitive advantage, using NBS Bank as a case study. The research confirmed that HR policies, strategies, and practices such as training, talent management, and employee engagement significantly contribute to organizational competitiveness. It also stated the implications of the study and highlighted various challenges faced in implementing HR initiatives, including legal, regulatory, and workforce related barriers.

Based on these findings, the study recommended regular employee training on HR policies, increased collaboration with regulatory bodies, and investment in workforce technologies. Additionally, the chapter identified the need for further research, particularly using quantitative methods, to deepen understanding of the relationship between HR and competitive advantage.

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APPENDICES

APPENDIX 1: INTERVIEW GUIDE

I am Ireen Chiwoni, a Master of Arts Arts Human Resouce Management & Industrial Relations student at University of Malawi (UNIMA). I am conducting a research on “*The Role of Human Resources in Gaining Competitive Advantage in Organisations: Case f NBS Bank”*.

The research is partial fulfillment for attainment of a Master of Human Resouce Management & Industrial Relations at University of Malawi. The study is aimed at ascertaining how HR at NBS Bank supports the organisation to gain competitive advantage on the market.

Your contribution will be of great importance. The information provided will be strictly confidential and used solely for academic purposes.

Objective 1: To ascertain HR policies at NBS Bank that support the organisation to gain competitive advantage on the market.

Questions

1. What specific HR policies has NBS Bank implemented to enhance its competitive advantage in the market?
2. How do HR polices at NBS Bank align with the overall business strategy to foster a competitive edge?
3. In what ways do NBS Bank's HR policies focus on employee development and retention to maintain a competitive workforce?
4. How does NBS Bank's HR policies address work-life balance and employee well-being as factors in maintaining competitiveness?
5. How does NBS Bank's HR policies address employee engagement to ensure a motivated workforce and enhance competitiveness?
6. Are there diversity and inclusion policies in place at NBS Bank that are designed to enhance its competitive advantage?

7. How does NBS Bank's HR policies adapt to industry changes and evolving market conditions to sustain a competitive advantage?

Objective 2: To ascertain HR strategies at NBS Bank that contribute to the company's competitive advantage.

Questions

1. What human resource strategies does NBS Bank employ to attract and retain top talent in the industry?
2. How does NBS Bank align its HR strategies with the overall business objectives to enhance competitive advantage?
3. Can you describe specific talent development programs or initiatives implemented by NBS Bank to strengthen its workforce?
4. How does NBS Bank foster a positive organizational culture through its HR strategies, contributing to a competitive edge?
5. In what ways does NBS Bank ensure that diversity and inclusion are integral components of its HR strategies for a competitive advantage?
6. How does NBS Bank implement its HR strategies to meet the evolving needs of the employees and the industry?
7. What employee engagement policies at NBS Bank that are specifically designed to enhance competitive advantage?
8. Can you provide examples of successful talent management practices at NBS Bank that have positively impacted its competitiveness?
9. How does NBS Bank utilize performance management as a strategic tool in gaining a competitive edge?
10. What measures does NBS Bank take to ensure that its HR strategies are fit and responsive to market changes, contributing to sustained competitiveness?

Objective 3: To establish how HR practices at NBS Bank assist the organisation to gain competitive position in banking industry.

Questions

1. How do the HR practices at NBS Bank contribute to building a skilled and motivated workforce to stay competitive in the banking industry?
2. What are the recruitment and selection processes that NBS Bank employs to ensure it attracts top talent in the industry?
3. How does NBS Bank use training and development programs to improve employee capabilities and maintain a competitive edge?
4. In what ways does NBS Bank influence HR practices to create a workplace culture that fosters innovation in the banking sector?
5. What are specific HR initiatives at NBS Bank aimed at promoting employee engagement and satisfaction for a competitive advantage?
6. How does NBS Bank address succession planning and talent retention to ensure a strong leadership pipeline and competitive positioning?
7. Can you provide examples of how HR practices at NBS Bank have contributed to the organization's adaptability in a dynamic banking landscape?
8. How does NBS Bank measure the effectiveness of its HR practices in contributing to the overall competitive position in the banking industry?

Objective 4: To determine the barriers HR face in implementing effective strategies, practices and policies for gaining competitive advantage.

Questions

1. What challenges does the HR department at NBS Bank encounter when trying to implement strategic initiatives for gaining a competitive advantage?
2. What obstacles or resistance from employees that HR faces when implementing new practices to enhance competitiveness?
3. How does the HR department navigate potential conflicts or resistance from various stakeholders when rolling out competitive strategies?
4. What are the external factors that pose challenges to HR in implementing policies aimed at gaining a competitive edge in the market?

5. What are the limitations in the existing organizational structure that impact HR's ability to effectively execute competitive strategies?
6. How does HR at NBS Bank handle the balance between regulatory compliance and implementing innovative strategies for competitive advantage?
7. What are some of the resource constraints or budgetary limitations that HR faces in implementing comprehensive strategies for competitive positioning?
8. What communication challenges does HR encounter in ensuring that employees understand and align with competitive strategies and policies?
9. What are some of the organization cultural barriers that HR needs to address when implementing initiatives for gaining a competitive advantage?
10. How does HR assess and overcome potential resistance or pushback from employees who may be resistant to change in the context of gaining a competitive edge?