EMPLOYEE PERFORMANCE HINGED ON INTERNAL CAPABILITY: A PEEP INTO DEPOSIT MONEY BANKS IN ANAMBRA STATE

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ABSTRACT

This work determined the influence of internal capabilities on employee performance in selected deposit money banks in Anambra state. Specifically, however, the study assessed the effect of employee training on customer satisfaction and identified the nature of the relationship between operational flexibility and customer retention. This study was anchored on the Knowledge Base Theory. A survey research design was deployed for this work with a population of all the staff of 6 selected deposit money banks in Anambra state Nigeria, which was put at 1,110 staff. However, a sampled size of 285 was used, after the application of Krejcie and Morgan's (1970) sample size determination formula. Data for the study was collected using a structured questionnaire, which was subjected to both validity and reliability tests. The data
analysis technique for the study was simple regression and hypotheses were tested at a 5% level of significance. The results revealed that employee training has a statistically significant effect on customer satisfaction \((r = .970; \text{R-Square} = .940, \text{P-value} < 0.05)\) and that there is a statistically significant relationship between operational flexibility and customer retention in DMBs in Anambra state \((r = .971; \text{R-Square} = .943, \text{P-value} < 0.05)\). The study therefore concluded that internal capabilities have an influence on the performance of employees because training and operational flexibility were seen to be positively related to customer satisfaction and retention respectively. On the strength of this, it was recommended that the management of the banks should continue training and retraining employees especially in the area of customer relations as it has been seen to be responsible for customer satisfaction in DMBs in Anambra state.

**Keywords:** Employee Performance, Internal Capability, Employee Training, Customer Satisfaction, Operational Flexibility and Customer Retention.

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**INTRODUCTION**

Organizations today are faced with a more challenging economic environment occasioned by changing market suppliers and customers’ needs and even increasing market competition than their forebears. As a result of this dynamic and competitive nature of the business environment, organizations engage in strategic renewal and corporate venturing to meet up with the need of the business environment. These have made the global market to be aware and prone to changes which is a continuous process. These continuous processes of dynamism forced business organizations to seek better strategies that will keep them active in the business environment (Aslam, Ayub & Razzaq, 2013). These better strategies and practices are their internal capabilities which give them an edge over their competitors.

The origin of internal capabilities lies in the work of Penrose (1959), who argued that diversification among firms occur because of the different knowledge, skills and talents among their human resources. Firms cannot operate without human resources due to considerable interest in the internal capabilities of modern firms, especially since the high-profile collapse of a number of large United States (US) firms (Adeipe, 2004). Internal capability of modern firms encourage employees training arrangement which differs from one organization to another, it covers every aspect of the activities of an organizational setup, right from how resources are generated to how they are utilized through customer retention and operational flexibility. Organizations that are proactive in adopting operational flexibility which enables them to adopt business goals are destined to see customer retention and increase productivity which will enable them to become more competitive in getting their market share.

In the current Nigerian banking system, there are lots of proactive measures taken by managers in deposit banks to meet up with the demands of the dynamic business environment in which they operate. These demands are adhering to the compliance of Central Bank of Nigeria reforms and policies, satisfying their customers and also getting their competitive advantage through the employee. In satisfying customers for their retention, employee training plays an important role. Employee training is an efficient process of getting knowledge, abilities, skills and behaviour for the employees to meet the requirements of the job (Gomez-Mejia 2007). It helps employees to meet their existing job requirements or helps employees to increase their productivity.
Training not only develops the capabilities of the employee but also sharpen their thinking ability and creativity in order to take better decision in time and a more productive manner (David, 2006). Moreover, it also enables bank employees to deal with the customer effectively and respond to their complaints promptly (Hollenbeck, Derue & Guzzo, 2004) because, trained employees are more experienced in satisfying their customers (Rowden & Conine, 2005).

Deposit Money Banks (DMBs) in Anambra state indulge in the training of employees before the influx of new generation banks. The licensing of new banks brought about a lot of dynamism in the way things were being done in the banks in Anambra state. One of these dynamisms is the employment of casual workers. Casualization involves a situation where employment shifts from normal full-time and permanent positions, with full benefits, to casual and contract positions. A situation where some workers are not given normal entitlements but are expected to deliver on high targets (Bisi, 2022). Casual employment is a form of employment that affords workers limited choices when compared to the main or permanent staff (Bamidele, 2017).

The filling of permanent positions by casual employees is on the increase. Reports in Nigeria showed that, out of an estimated 101,861 in the banking industry workforce, about 43,955 workers, representing 43.2 per cent are currently "casual workers", under the guise of contract staff (Bamidele, 2019). Furthermore, Bamidele (2019); Bukola (2019) revealed that more banks pursue the option of increasing contract staffing, as opposed to full employment, in order to control cost, avert risk and for flexibility. The increasing casualization of labour by financial institutions, especially DMBs in Anambra state, continues to be a major concern to stakeholders because of the impact of the practice on the employees and the national economy as a whole. Nigeria Deposit Insurance Corporation (NDIC) has observed from bank returns and during examination exercises a strong correlation between the high incidence of frauds and forgeries in the banking system and the use of casual staff (Bamidele, 2019). Casual staff, who account for about 43.2 per cent of the DMBs workforce, have a negative impact on the industry as some DMBs are in the habit of assigning sensitive roles to them, thereby exposing the banking industry to fraud (Davison, 2022). Many deposit money banks also use casualization to escape the negative reaction of workers protesting over their unfair treatment. To prevent effective opposition from victims of casualization, the management of the DMBs in Anambra state and outsourcing companies ensure that casual staff do not engage in unionism.

Consequently, as the environment in which DMBs function becomes increasingly complex and banks are subject to greater public scrutiny, maintaining organizational values and employee workplace identity has become a major challenge as they engage in the recruitment of casual staff to the detriment of hiring professionals to man those positions. The widespread nature of the practice is indicative of the fact that it is motivated by cost-cutting and profit maximization and if these are not checked, the operational flexibility of deposit money banks might increase labour turnover which is likely to affect productivity and customer retention. It is against this backdrop that this work intends to determine the influence of internal capabilities on employee performance in selected deposit money banks in Anambra state. Specifically, the study intends to:

a) Assess the effect of employee training on customer satisfaction in DMBs in Anambra state.

b) Identify the nature of the relationship between operational flexibility and customer retention in DMBs in Anambra state.
REVIEW OF RELATED LITERATURE

Internal Capability
Internal capabilities are portrayed as essential success criteria in strategic management, and today, almost every firm wants to be seen as having the ability to perform a task admirably. Internal capacities have become a common word in the dynamics and change management fields. Some authors discuss it as a well-known colloquial term, while others just highlight one specific aspect. So, in order to approach the topic, we first define what internal capabilities mean. The literature on the issue is incredibly diverse. While some authors refer to it as collective skills, intricate routines, best practices, or core competency, others see it as internal capabilities.
Internal capabilities are those things that serve to enhance, modify, or create standard capabilities (Winter, 2018). This implies that while internal skills benefit a company in establishing capacities to handle risks, they also enable a company to take advantage of chances to increase performance. Helfat, Finkelstein, Mitchell, Peteraf, Singh, Teece and Winter (2017) describe it as an organization's capacity to consciously increase, broaden, or modify its resource base. Teece (2017) asserts that while operational capabilities support an organization's technical fitness by ensuring its ongoing operational effectiveness, internal capabilities support a firm's evolutionary fitness by enabling the creation, extension, and modification of its resource base, which results in long-term competitive success.
Montgomery and Collis (2019) opine that internal capabilities highlight the critical function of strategic management in suitably integrating and reconfiguring internal and external organizational skills, resources, and functional competencies to meet the demands of a changing environment. According to some authors, organizations use both internal and external resources to operate, and it takes human capital to be able to coordinate both of these resources for a firm to operate effectively. Internal skills are central to the effective deployment of internal capabilities of firms, and according to Eisenhardt and Martin (2014), internal skills are viewed as final and do serve as the foundation for the organization to develop a lasting competitive advantage. Because better internal skills enable a firm to develop functional competencies, which in turn affect the firm's results indirectly, a corporation might gain a durable competitive advantage (Helfat & Peteraf, 2015).

Employee Training
One of the most essential instruments for improving efficient organizational performance and boosting the organization's stability index is employee training. If a firm wants to accomplish its goals most cost-effectively, it must make extra efforts and significant investments in employee training. It assists employees in acquiring specific knowledge or skills to enhance performance in their current positions.
Shaw (2011) defines employee training as a procedure that gives employees knowledge, abilities, and understanding of the firm and its objectives. It is a methodical procedure that teaches individuals how to change their knowledge, abilities, or attitudes to achieve effective performance in the workplace. It aids in creating a welcoming and suitable learning environment for the staff, as well as assisting them in dealing with impending issues quickly and effectively.
Employee training is a crucial component of the practice of human resource management's Human Resource Development (HRD) activities (Nwakoby, Okoye & Chukwurah, 2021).
Employees need to understand the culture of their firm as well as the required skills, knowledge, values, attitudes, and competencies to perform their jobs effectively and efficiently through training. For this reason, a company may require a training department, often known as HRD. Once qualified job candidates have been chosen and hired, they tend to receive the proper orientation as well as training and development to satisfy the organization's career needs. Ivancevich (2010) is of the view that training is a process that aims to give employees knowledge, skills, and an understanding of the company and its objectives. Additionally, it helps staff members maintain the necessary positive contribution to the organization's success through their competent work performance. Employee orientation and socialization within the company serve as the beginning of the entire process. Salem and Mehwish (2011) posit that training is a structured expansion of the knowledge, talents, and feelings required of employees to carry out offered processes effectively as well as to function in subordinate situations. Also, it effectively develops the skills of a group of employees by inspiring and moulding them into well-organized and polite individuals, which in turn influences the performance of the firm.

**Operational Flexibility**

Modern corporate environments are characterized by frequent product replacement, short product life cycles, and knowledgeable and informed customers. These qualities increase the responsiveness of manufacturing companies. Modern production systems are, therefore, required to be quick, effective, and efficient in establishing and maintaining a competitive edge, hence the need for operational flexibility (Duclos, Vokurka & Lummus, 2003). Organizations are compelled to be customer-oriented because consumer preferences are constantly changing and are therefore impossible for businesses to control. This means continuously identifying customer needs and offering a wide range of products that satisfy those needs, either by producing various product types or offering the same product in various ways. In this situation, a company will benefit from operational flexibility because it denotes a company's capacity to swiftly alter the product mix to correspond to market trends while preserving cost-effectiveness. Beamon (2019) opines that operational flexibility is the capacity to modify the range of organizational goods generated. It was made clear that operational flexibility can be calculated as the range of possible products that can be created in a given amount of time, or as the time needed to create a new product. Thus, it follows that the diversification of items generated is the foundation of operational flexibility. Chod, Rudi, and Miehham (2012) see it as the ready capability to adapt to new, different, or changing requirements, which means being ready to do things quickly or respond fast. It is the ability of an organization to quickly reorganize resources and activities in response to environmental demands. As a result, businesses are better able to handle the difficulties posed by dynamic and unpredictable situations, which improves performance and gives them a competitive edge (Wright & Snell 2016).

**Employee Performance**

The success or failure of any organization will depend on how effectively your employees execute their responsibilities daily. Employee behaviour in the workplace and elements like the quality, quantity, and effectiveness of the work are all part of employee performance. These expectations can be set by you, the business owners, and can be routinely checked. You can make sure your staff are capable of meeting the demands of both your company and your customers by understanding performance indicators, employee performance review procedures, and performance improvement techniques.
According to Al Mehrzi and Singh (2016), employee performance is the outcome or degree of accomplishment of an individual over the course of a given period in carrying out activities in comparison to numerous possibilities, such as work standards, targets, or mutually agreed-upon established criteria. Without the effort of the employee in an organization, all the structures set out may not be accomplished effectively and efficiently.

According to Shmailan (2016), employee performance refers to the actions taken by staff members in carrying out the business of the organization. Performance in carrying out its duties is not autonomous, rather, it is always influenced by a person's unique skills, abilities, and attributes as well as how satisfied they are with their jobs and how much compensation they receive. Anitha (2014) defines employee performance as the financial or non-financial consequence of the employee that is directly related to the success and operation of the firm.

The term employee performance signifies an individual's work achievement after exerting the required effort on the job which is associated with getting meaningful work, an engaging profile, and compassionate employers around (Karakas, 2010). A company needs an efficient employee performance management system to fully utilize HR and increase organizational success. It is expected that the performance-driven objective will be in line with organizational policies, causing the process to shift from being event-driven to being more strategic and people-centric.

**Customer Satisfaction**

Competition is unavoidable in today's global marketplace. Firms will continue to look for ways not to be left out, so to win the competition and continue to survive in it, the company must be able to deliver satisfaction to its customers. Consumer satisfaction or discontent with a product is determined by the relationship between consumer expectations and the product's perceived performance.

Fornell, Johnson, Anderson, Cha and Bryant (1996) describe customer satisfaction as an overall evaluation based on a product or service's whole purchase and consumption experience throughout time. The existence of many businesses on the market is dependent on a large number of satisfied customers. Customers are critical to a company's survival and growth in the market. It is evident, then, that enterprises that want to compete must give value and distinctive terms to their customer that meet their needs. This satisfaction comprises not just the sensations involved with the shopping transaction, but also the environment before and after purchases are made.

Customer satisfaction is a measurement that determines how happy customers are with a company’s products, services, and capabilities. It is the feeling or attitude that a customer has toward a product or service after using it. It is the result of marketing actions that serve as a communication link between various stages of customer purchasing behaviour. It is the consequence of comparing a customer's purchase of projected performance with actual performance and payment expenses (Taghizadeh, 2012). Alaina (2021) aver that it is a metric that measures how well a company's products, services, and overall customer experience satisfy the expectations of its customers. It represents the health of your company by demonstrating how effectively your products or services are received by customers.

**Customer Retention**

For the fact that loyal customers are the most significant assets of a company, corporations have been progressively understanding the importance of loyal consumers in recent years, and they have been focusing on developing customer retention and loyalty programs. The primary goal
of customer retention activities is to preserve connections with value-added customers. Customer retention refers to an organization's capacity to keep its customers for an extended period. It comprises all activities that lower business customer defection rates. Higher customer retention rates indicate that businesses can keep their customers for an extended period.

When a consumer plans to repurchase from the same service provider, maintain a favourable attitude toward the service provider, and freely refer the service to others, then customer retention is in play (Kandampully & Suhartanto, 2000). It entails delivering honest and useful feedback, combining the volume of their category purchases with the firm, never mistreating firm customers, and passionately referring relatives and friends (Shoemaker & Bowen, 2003). According to Dick and Basu (2009), it is determined by measuring the frequency of purchases or the degree of brand switching.

Customer retention measures how loyal customers are to a company's products or services and how strongly they prefer one brand over competitors. It is tied to customer satisfaction because satisfied customers constantly select brands that match their demands (Alhassan & Yousuf, 2012). Lewis and Maurice (2018) opine that it is the sustained and consistent patronage of a firm in the face of other economic activity and competitive attempts to disrupt the connection. According to Robert, Muller, and Purcell (2018), it occurs when customers prefer to use a specific store or buy a specific product rather than use other stores or buy items created by other companies based on the services or pricing of the things they purchased. Loyal customers are committed to supporting a specific brand or company above others and show no obvious readiness to enter into commercial relationships with other brands. This occurs in most businesses depending on the services customers received from the organization through trained employees.

**THEORETICAL FRAMEWORK**

This research work was anchored on the Knowledge Base Theory.

This theory, which emerged from the strategic management literature, relies on and expands on Penrose's (1959) Resource-Based View of the company (RBV), which was then broadened by others (Wernerfelt 1984, Barney 1991, &Conner 1991). The Knowledge-Based Theory of the company regards knowledge as a firm's most strategically crucial resource. Its proponents say that because knowledge-based resources are typically difficult to copy and socially complex, organizations' varied knowledge bases and capacities are the key determinants of sustained competitive advantage and better corporate performance. This information is entrenched in and transmitted by a variety of entities, including organizational culture and identity, policies, routines, documents, systems, and personnel.

The economic shift from material-based to information-based production resulted in a revaluation of enterprises and their employees. We are increasingly seeing knowledge workers at the heart of organizational functions (e.g., concept and technology designers, as well as finance and management people). Other individuals are deemed to be on the firm's outskirts; as a result, their responsibilities change regularly, and they are defined by the jobs they execute at the time and as a result, a new labour differential emerges (Child & McGrath, 2001).

Although the Resource-Based View of the company acknowledges the critical role of knowledge in firms that attain a competitive advantage, proponents of the Knowledge-Based View say that the resource-based approach falls short. Specifically, the RBV views knowledge
as a general resource rather than one with unique properties. As a result, it makes no distinction between different sorts of knowledge-based capabilities. In the Knowledge-Based View of the company, information technology can play a key role, in that information systems can be used to synthesize, improve, and accelerate large-scale intra- and inter-firm knowledge management (Alavi & Leidner 2001).

The major proponents of the theory say that because knowledge-based resources are typically difficult to copy and socially complex, organizations' varied knowledge bases and capacities are the key determinants of sustained competitive advantage and better corporate performance. Due to the competitive state of deposit money banks in Anambra state and also the banks have relatively the same product to showcase to customers that are sophisticated and will not accept anything less than their expectations. And the only strategy to compete with other DMBs is their employee knowledge and skill because no two individuals are the same. The only resource that can learn and grow is human resources. If we can recall, the influx of new-generation banks jolted the old-generation banks violently from their cosy armchair to the street to scout for business. This made banks start competing in banking activities. The resulting boom brought about dynamism and vibrancy in the way things were being done, as banks in a bid to outperform each other developed competitive strategies through technologically driven innovation which is being operated by young vibrant graduates from all manner of discipline. Hence, because human resource knowledge is central to driving this innovation in the banking sector, the knowledge-based view theory perfectly relates to the work.

METHODOLOGY

This study adopted a survey design which collects data and solicits information from people concerning their opinion, beliefs, actions, and attitudes on various issues by using a questionnaire, interview or observation, hence, making this design the most suitable for this work. The area of this study is Anambra state, Nigeria. The element of the population of this study comprises all the staff of 6 selected deposit money banks in Anambra state, Nigeria which is put at 1,110 staff. Since the entire population cannot be accessed, Krejcie and Morgan’s (1970) sample size determination formula was adopted and it gave a sample size of 285. The proportionality of the sample among the selected deposit money banks is achieved by using Bowley’s statistical technique for stratification. Data for the study was collected using a survey method through a structured questionnaire, which was subjected to both validity and reliability tests and it all came out positive. The data analysis technique for the study is simple regression and hypotheses were tested at a 5% level of significance.

Data Presentation and Analysis

Table 1

<table>
<thead>
<tr>
<th>S/N</th>
<th>Questionnaire Items</th>
<th>SA (5)</th>
<th>A (4)</th>
<th>UD (3)</th>
<th>D (2)</th>
<th>SD (1)</th>
<th>Mean</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>My organization invest in their employees through on-the-job training.</td>
<td>94</td>
<td>100</td>
<td>-</td>
<td>40</td>
<td>36</td>
<td>3.64</td>
<td>Reject</td>
</tr>
<tr>
<td>2</td>
<td>My organization require employees with high knowledge, hence, they help in orientating me.</td>
<td>101</td>
<td>121</td>
<td>-</td>
<td>68</td>
<td>1</td>
<td>4.01</td>
<td>Accept</td>
</tr>
</tbody>
</table>
I like to work with my organization because of the constant orientation given to me.

My organization constantly allows me to socialize and interact with the employer and other employees so as to improve my skills.

**Customer Satisfaction**

Customers are the life wire that keeps my organization going because I have been trained to attend to them very well.

Customers in my firm come back to patronize us because of the good service given to them, which my organization has trained me on how to do.

My organization value our customers, hence, they make sure we serve them properly by orientating us on how to go about it.

The customers in my firm speak well of our services because we value the way they are attended to in my organization.

Table 1 shows the distribution of responses of respondents in DMBs in Anambra state on employee training and customer satisfaction. The analysis is done using the mean of the respective questionnaire items, with a threshold of acceptance of 3, meaning that any questionnaire item with a mean of 3 and above should be accepted while any with a mean of less than 3 should be rejected. From the Table, it is seen that all the questionnaire items have a mean that is greater than 3, hence, they are all accepted as being the case in the banks studied.

Table 2

**Distribution of Responses on Operational Flexibility and Customer Retention in DMBs in Anambra State**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Questionnaire Items</th>
<th>SA</th>
<th>A</th>
<th>UD</th>
<th>D</th>
<th>SD</th>
<th>Mean</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>My organization meets the constantly changing demands of customers.</td>
<td>60</td>
<td>43</td>
<td>23</td>
<td>54</td>
<td>90</td>
<td>2.74</td>
<td>Accept</td>
</tr>
<tr>
<td>2</td>
<td>My organization adopts new technological changes to satisfy our customers.</td>
<td>75</td>
<td>92</td>
<td>12</td>
<td>50</td>
<td>41</td>
<td>3.41</td>
<td>Accept</td>
</tr>
<tr>
<td>3</td>
<td>My organization constantly educates me about the new changes in the industry to serve customers better.</td>
<td>101</td>
<td>98</td>
<td>-</td>
<td>71</td>
<td>-</td>
<td>3.85</td>
<td>Accept</td>
</tr>
<tr>
<td>4</td>
<td>My organization responds quickly to the demands of our customers.</td>
<td>76</td>
<td>123</td>
<td>12</td>
<td>40</td>
<td>19</td>
<td>3.73</td>
<td>Accept</td>
</tr>
</tbody>
</table>

**Customer Retention**

My organization has the capacity to retain customers, using after-sale services.

My organization render services that match the demands of customer all the time, therefore, they return for more services.

My bank attends to customers' complaints without delay, which makes them want to come back to my bank.

Customers in my organization patronize only my bank.

Table 2 reveals the distribution of responses of respondents on operational flexibility and customer retention in DMBs in Anambra state. Here, just like in the Table 1 analysis, means are also used with the same decision criteria. From the Table, it is shown that all the
questionnaire items have a mean that is greater than 3, hence, they are all accepted as being the case in the banks studied except for questionnaire items 1 and 8 whose mean are less than 3, hence, are rejected.

**Test of Hypotheses**

**Hypothesis One**
Employee training has a statistically significant effect on customer satisfaction in DMBs in Anambra state.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.970</td>
<td>.941</td>
<td>.941</td>
<td>1.398</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), EMPTRAI


Table 3 shows the regression analysis result carried out to test hypothesis one which states that employee training has a statistically significant effect on customer satisfaction in DMBs in Anambra state. From the result, it is shown from the R which is .970 that a strong positive relationship exists between the variable. That is, employee training has a positive effect on customer satisfaction. Similarly, from the R-Square which is .940, it indicates that a 94% change in customer satisfaction is as a result of changes in employee training in DMBs in Anambra state.

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>8342.214</td>
<td>1</td>
<td>8342.214</td>
<td>4268.218</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>523.805</td>
<td>268</td>
<td>1.954</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>8866.019</td>
<td>269</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: CUSSAT
b. Predictors: (Constant), EMPTRAI


Table 4 reveals the ANOVA result for hypothesis one. From the Table, the F statistics is 4268.218 and the sig which represents that p-value is .000. Going by this and with respect to the decision rule which states that the alternate hypothesis should be accepted if the p-value is less than 0.05, the alternate hypothesis is, therefore, accepted and it is stated that employee training has a statistically significant effect on customer satisfaction in DMBs in Anambra state.

**Hypothesis Two**
There is a statistically significant relationship between operational flexibility and customer retention in DMBs in Anambra state.

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.971</td>
<td>.943</td>
<td>.942</td>
<td>1.212</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), ORGFLEX


Table 5 reveals the regression analysis result carried out to test hypothesis two which states that there is a statistically significant relationship between operational flexibility and customer retention in DMBs in Anambra state.
retention in DMBs in Anambra state. As can be seen from the result, the R is .971 signalling a strong positive relationship exists between the variable. Also, from the R-Square which is .943, it shows that a 94% change in customer retention is accounted for by changes in operational flexibility in DMBs in Anambra state.

Table 6

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regression</td>
<td>6466.365</td>
<td>1</td>
<td>6466.365</td>
<td>4399.164</td>
</tr>
<tr>
<td></td>
<td>Residual</td>
<td>393.935</td>
<td>268</td>
<td>1.470</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6860.300</td>
<td>269</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: CUSRET
b. Predictors: (Constant), ORGFLEX


Table 6 is an ANOVA result for hypothesis two. As revealed from the Table, the F statistics is 4399.164 and the p-value is .000. As a result of this and on the strength of the decision rule, the alternate hypothesis is accepted in favour of the null hypothesis and it is stated therefore that there is a statistically significant relationship between operational flexibility and customer retention in DMBs in Anambra state.

CONCLUSION

The continuous existence of organizations is harder now than it was in previous times, this is because of the dynamism in the business in the business environment and the ever-changing customer need and preferences. Hence, organizations to thrive are those with some form of competitive edge above others, and internal ability is one of such capabilities that confer an advantage to firms. The result from the study reveals that internal capabilities have an influence on the performance of employees because training and operational flexibility were seen to be positively related to customer satisfaction and retention respectively.

Recommendation

The following recommendations are made sequel to the findings of the study:

a) That the management of the banks should continue training and retraining employees especially in the area of customer relations as it has been seen to be responsible for customer satisfaction in DMBs in Anambra state.

b) The management of the banks needs to always be abreast of new happenings and always interact with customers to understand their needs so as to be flexible operationally as it will go a long way in making the banks retain their customers.

References


