

THE IMPACT OF A SUSTAINABLE COMPETITIVE ADVANTAGE ON A FIRM'S PERFORMANCE: EMPIRICAL EVIDENCE FROM COCA-COLA GHANA LIMITED

Asante Boakye Elijah and Adu-Damoah Millicent

Author Affiliation, University of Electronic Science and Technology of China, People's Republic of China.

ABSTRACT: *Current organizations turn to many standard techniques to achieve competitive advantage, and if they are sustainable, then the organization benefits from the competitive advantage. As markets grow more saturated, only the organization with the highest sustainable competitive advantage will benefit the most. The primary objective of this study is to ascertain the impact of a sustainable competitive advantage on firm's performance using evidence from Coca-Cola Ghana limited. The population included employees of Coca-Cola Ghana Limited in the four main regional capital cities and affiliated stakeholders. The data collected from 356 respondents were analyzed with Smart PLS statistical software. The results from the Structural Equation Model (SEM) revealed that sustainable competitive advantage is positively related to organizational performance. Resources and competitive environment have a moderating effect on firm's strategy. It also established that resources and competitive environment are directly related to firm's performance. Finally, it confirmed the relationship between human resource strategy and firm's performance as positively related. The study concludes that the effects of the firm's strategy, resources and competitive environment and human resource strategies on sustainable competitive advantage are undeniable and they have numerous impact on firms' performance.*

KEYWORDS: Competitive Advantage, Sustained Competitive Advantage, Firm Performance, Coca Cola Ghana Limited, Partial Least Squares.

INTRODUCTION

In these modern times, many firms worldwide are belligerent to cope with increasing competition since it has therefore turned into the first agenda for these firms. Past years also recalls much enduring and increasing intensity of competition among firms until this day. Most firms make choices that affect their competitive stand and profitability using strategic management and strategic planning which is expected to help the firm position itself against their rivals in the quest for upper hand. Since there are many relations and interdependencies among activities in the value chain of firms, the ability to co-ordinate interrelationships is critical to achieving competitive advantage (Porter, 1985). This is undertaken to help the firm position itself against its competitors in the pursuit of competitive advantage. Firm profitability is a function of organizational attractiveness (structure) and the firm's relative stand within the industry. A robust comparative view implies that the firm has a competitive gain that can be unremitting against occurrences by competitors and changes in the industry. The quest for industry attractiveness and analysis of competitors can guide a firm in its decision of competitive strategy.

A firm's search for competitive advantage begins with the strategic choices it makes in regards to its position in an industry. However, a firm must also understand how to make an

interpretation of competitive strategy into a competitive advantage. A firm must define how to implement the competitive strategy selected to achieve competitive advantage. The subject of firm performance is very principal in strategy research for decades and incorporates most relevant questions that have been discussed in the field, as, why firms vary, their behavior, how strategies are chosen and how they are managed (Porter, 1991). In the 1990s, as the resource-based technique arose, the focus of strategy researchers regarding the sources of sustainable competitive advantage moved from industry to firm-specific effects (Spanos and Lioukas, 2001). Initiated in the middle of the year 1980s by Wernerfelt (1984), Rumelt (1984) and Barney (1986), the resource-based view (RBV) has then become one of the leading contemporary techniques to the study of sustained competitive advantage. A central origin of the resource-based view is that firms compete by their resources and capabilities (Peteraf and Bergen, 2003). Most resource-based view researchers choose to “look within the enterprise and down to the factor market conditions that the enterprise must contend with, to search for some possible causes of sustainable competitive advantages” with all other external environmental factors being held constant (Peteraf and Barney, 2003). This inward-looking technique has therefore demonstrated to be both significant and useful for the analysis of many strategic issues (Foss and Knudsen, 2003), among which is the conditions for sustained competitive advantage and diversification.

The Beverage Industry of Ghana is a matured sector which includes companies that trade in non-alcoholic and alcoholic stuffs. Since growth opportunities are few as compared to existing business, most members of the industry attempt to diversify their offerings to compete better and gain market share. They may pursue lucrative distributive measures and acquisitions so as to increase their operations, product portfolios, and geographic scope. Most substantial companies do offer reliable dividends, with consistent increases, and above-average Stock Price Stability. The non-alcoholic beverage industry in Ghana is known to be dominated by two large entities: Pepsi (PEP) and Coca-Cola. They issue their favorite carbonated and non-carbonated drinks internationally through substantial bottling companies. The industry giants normally boost their results (and those of their subsidiaries) by acquiring smaller market players or by inking promising distribution contracts. Firms' performance has been a fundamental issue in strategy research for decades, and the focus has been why firms differ in performance. Organization strength is known as actors' purpose in its competitive advantage and other organizational factors. Kabue and Kilka (2016) posit that firms with a more efficient networking strategy will obtain more competitive information than other firms. This information advantage normally leads to enhanced new product performance and improved overall performance of the firm. In view of this very competitive market, firms must quickly hold extraordinary opportunities, respond to threats and outmaneuver their rivals to sustain and succeed.

To achieve firm performance within the sustainable competitive advantage scope, decisions on influential firm's competitive strategies are one of the leading issues for directors under firms' business level strategy. Because the formulation and accomplishment of competitive business strategies that will expand performance are one of the competent methods to realize the firm's sustainable competitive advantage. Therefore, the effect of competitive strategies on firm performance is a significant issue of unease to the policymakers and has been playing a vital role to refine firm strength at length. This position is interpreted into higher profits compared to those obtained by competitors working in the same industry. Truly, understanding which resources and firm behaviors lead to competitive advantage is considered to be the fundamental issue in strategic management studies (Porter, 1980).

The Coca-Cola Ghana Bottling Company came from the divestiture of Bottling Division of G.N.T.C in March 1995 and has invested around US\$90 million in vehicles, plastic bottles, glass bottles, plastic crates, production, and marketing equipment. The Company produces and markets seven main brands, five carbonated soft drinks, and two water brands. The carbonated soft drinks include; Coca-Cola, Fanta, Sprite, Schweppes, and Krest with Dasani and BonAqua as the two water brands. The Beverage industry has a crucial influence on the Ghanaian economy; there has been limited attention given to competitive strategies that will allow the industry to sustain its competitive position in the markets. To make a role in this direction, this study aims at probing the impact of a sustained competitive advantage on a firm's performance.

LITERATURE REVIEW

Competitive Advantage

Li et al.,(2006), defines competitive advantage as the “capability of an organization to create a defensible stand over its competitors.” This can be achieved if the firm's value/cost gap is greater than that of her competitors. Tracey et al. (1999) contends that competitive advantage embodies the distinctive competencies that sets an organization apart from its competitors, thus giving them an upper hand in the marketplace. They further added that it is an outcome of critical management decisions. Competitive advantage traditionally involves the choice regarding the markets in which a firm would compete, defending market sector in clearly defined segments using price and product performance qualities. Today, however, competition is thought of as a war of movement that depends on anticipating and rapidly responding to changing market demands. Competitive advantage arises from the creation of superior competencies that are leveraged to generate customer value and achieve cost and/or differentiation advantages, causing market share and profitability performance (Barney, 1991) Sustaining competitive advantage entails that firms set up boundaries that make imitation challenging through continual investment to boost the strength, making this a long-run cyclical process. Porter's approach to competitive advantage centers on a firm's capacity to be a low-cost producer in its industry, or to be exceptional in its sector in some aspects that are popularly appreciated by customers (Porter, 1991).

Theoretical Pursuit of Competitive Advantage

Studies investigating firm performance, have drawn attention to the essence for understanding the foundations of sustainable competitive advantage. Such demand is central to most firms' mission and has become a key area of study in the field of strategic management. The concept of competitive advantage is built on the premise that firms can establish a differential advantage over their competitors. That is, competitive advantage is discussed from a perspective in the literature (Barney 1991). Reaching competitive advantage should be the goal of a firm's strategy with the outcome manifesting as above - average returns for the firm (Barney 1991; Porter 1985). It is presumed that the desired outcomes of a firm's attempts in seeking a competitive advantage, is sustainable and will not be easily destroyed (Peteraf 1993). That is, for firms to earn above normal profit, its competitive advantage must be sustainable. To gain a competitive advantage over its rivals, the firm must provide comparable buyer value and perform activities more efficiently than its competitors, or provide activities in an exclusive way that produces greater buyer value and commands a premium price (Porter, 1985). A firm can gain an edge over its competitors in the following two ways:

Through external changes. When PEST factors are adjusted, many opportunities can come up that, if taken advantage of, could offer many benefits for an organization. PEST stands for political, economic, socio-cultural and technological factors that influences a firm's external environment. When these factors change many possibilities arise that can be utilized by an organization to achieve advantage over its rivals. An organization can also gain the upper hand over its competitors when it is capable of responding to external changes quicker than other organizations.

By developing them inside the company. A firm can accomplish cost or differentiation advantage when it develops VRIO assets, through innovative procedures and products. A firm that possesses VRIO (valuable, rare, hard to imitate and organized) resources has a prevalence over its competitors due to the superiority of such resources. If a company earns a VRIO resource, it means no other company can acquire it (at least temporarily). This would be further explained in the literature.

Competitive Advantage Sustainability

Barney, 1991 defines competitive advantage as when a firm is applying a value creating strategy not concurrently being employed by any existing or budding competitors, and also posits that a firm is said to have a sustained competitive advantage when it is realizing a value creating strategy not simultaneously being carried out by any present or probable competitors and when these other firms are incapable to reproduce the benefits of this strategy. These explanations do not center solely on a firm's competitive position vis-à-vis firms that already operates in the industry, but Barney, 1991 suggests that, competitive advantage whether sustained or not, depends on the likelihood of competitive duplication. Following Lippman and Rumelt (1982), a competitive advantage is sustained only if it exists after efforts to duplicate it have ended (Barney 1991). In theory, the definition of sustained competitive advantage has numerous advantages, not in the least of which that it evades the problem of specifying the length of calendar time firms in disparate industries must enjoy competitive advantages in order for those advantages to be "sustained". Empirically, sustained competitive advantages, on average, may last a long period of calendar time. However, this period of calendar time, does not define the existence of a sustained competitive advantage but the inability of existing and potential competitors to duplicate that strategy that makes a competitive advantage sustained (Barney 1991). Lastly, that a competitive advantage is sustained is not indication that it will "last forever". It only suggests it will not be competed away through the duplication efforts of other firms (Barney 1991). Unforeseen changes in the economic structure of an industry can make what was, at one time, a basis of sustained competitive advantage, no longer valued for a firm, and consequently not a source of any competitive advantage.

Firm Performance

The performance of a firm is a significant construct in strategic management research and often used as a dependent variable. The notion of firm performance must be distinguished from the broader construct of organizational effectiveness. Taking into consideration the factors like official and unofficial structure, reward systems, planning systems, control and information systems, skill sets and personalities, and the relation of these to the environment. Wernerfelt (2007) opine therefore that managers influence organizational outcomes by establishing 'context' and that context results from a complex set of psychological, sociological, and physical interactions. Another unsettling fact of firm performance is the use of past performances as performance indicators. Hence, defining firm performance as the satisfaction

of stakeholders helps to distinguish between antecedents, and performance outcomes embraces all players of the firm. More so, the time period and the reference point are other phases of performance to review when defining firm performance. Another issue is the interval- short, medium or long term, should all be considered.

Model and Hypothesis Development

Studies have revealed that there is a significant relationship between competitive advantage and performance. Ray et al., 2004). Fahy (2000) argues that the achievement of a sustainable competitive advantage stance can be anticipated to lead to higher performance, regularly quantified in conventional terms such as market-share and profitability, that is the financial performance measurement approach. Also, emphasizing on the view that competitive advantage and performance are two different concepts and scopes, firms ought to shift their focus on managerial strategy towards attaining and sustaining competitive advantage position over their rivals. Subsequently, such a competitive advantage position will lead to higher firm's performance. Bearing in mind the notion that competitive advantage is a relational concept and also context-specific, there are possibilities that competitive advantage does not result in superior firm's performance, and there are also likelihoods that a superior performance can be achieved without the firm attaining and/or sustaining competitive advantage position. However, mostly, the first condition that competitive advantage will lead to superior performance will prevail given the fact that firms focus their competitive strategy towards enhancing their resource pool (Fahy, 2000). Indeed, as Barney (1991) has argued, firm's resources which include all its assets, capabilities, organizational processes, firm's attributes, information, knowledge, and so on owned and/or regulated by a firm will eventually enable the firm to conceive and implement strategies that will improve its efficiency and effectiveness, hence superior firm's performance. They argue that performance should be grounded on a broader concept instead of just on financial performance dimension, namely, overall performance (that is, offerings and competencies), customer-focused performance, investor-based performance and worker-based performance. The study computes performance according to products & services, internal processes, growth, capabilities & skills, quality, sacrifice, value & satisfaction, revenue, growth, profit, personal development, empowered teams and employee satisfaction.

In another study, Kaleka (2004) focus on the significant interaction among available resources and capabilities, competitive strategy decisions, competitive advantage and performance aftermaths in the export venture. The definition of a Sustainable Competitive Advantage (SCA) is a long-term approach or strategy to tolerate a firm to uphold its lead of its competitors. As compared to short-term advantages, like being the first to outdoor a new type of product, a SCA may be fostered into the frame of a business. In doing so, it will qualify the firm to prolong its supremacy over a longer period. On the other hand, organizational performance (OP) is expressed as the analysis of a firm's performance with regards to its aims and objectives. It could be measured in terms of ROA (Return on assets) and Sales Growth Ratios because these ratios are referred as financial performance measuring ratios. Based on the elaborate literature above, these hypotheses were formulated;

H₁: A sustainable competitive advantage is positively related to organizational performance.

Firm's Strategy and its Competitive Environment and Resources: With regards to Resources definition, Barney (1991) said firm resources comprise of the following: assets, capabilities, organizational processes, firm qualities, information, knowledge, etc. and these are managed

by a firm to help it consider and implement strategies. Porter (1980) recognized five forces of competitive environment as follows: bargaining power of sellers, bargaining power of customers, threat of new entrants, threat of substitution, and rivalry among existing competitors. The list reflects Porter's implementation of a market power viewpoint and is ill-suited to sway the influence of the competitive environment on sustained competitive advantage and performance. For instance, when customers bargain for the firm's value created (as market power perspective), the price of the product is then determined by their willingness-to-pay (efficiency perspective). Notwithstanding the market power perspective, Porter's framework is implementable for analysis of the competitive environment. The more powerful a force may obtain the less profitable the firm will be. For instance, in terms of customer force, the firm strategy must be adjusted in response to requirements of new customer due to the composition change of the firm's target market and also changes in the needs of the customer. The firm can focus her strategy on delivering extra value to customers than her competitors but customer worth might change.

Therefore, the firm need to continually survey her market environment to seek if existing customers are being replaced by new ones in her target markets or customers want different service level than previously. In terms of supplier force for instance too, dealing with a particular supplier due to the unique characteristics of the product supplied, if the supplier goes out of business, the firm needs to adjust her strategy to underscore different competitive advantages. Example, if the firm competes on price due to the supplier having the lowest prices, then the firm is forced to raise her prices and promote the products as the cheapest ones that can fulfill certain advanced functions. Also, the firm competitors' behavior is a major factor influencing the firm's strategy. While the firm evaluates the existing competitors' actions, the firm should also check for new entrants into her market. Meanwhile the firm must still adjust her strategy since her competitors are mostly reacting to her actions. Therefore, to benefit from the firm's strategy changes, the firm must think ahead on how each competitor is likely to react to the firm's adjustments. Then the firm can proceed with those factors that provided the favorable competitive environment. Resources have a rent-producing possibility provided they add to the build-up of competitive advantage. Resources with a continuous rent-producing potential are referred to as strategic resources.

H₂: Resources and competitive environment have a moderating effect on firm's strategy.

Firm's Performance and its Competitive Environment and Resources: A firm with competitive advantage is not an assurance of an indication to a higher performance if compared to the breakeven competitor in the industry.

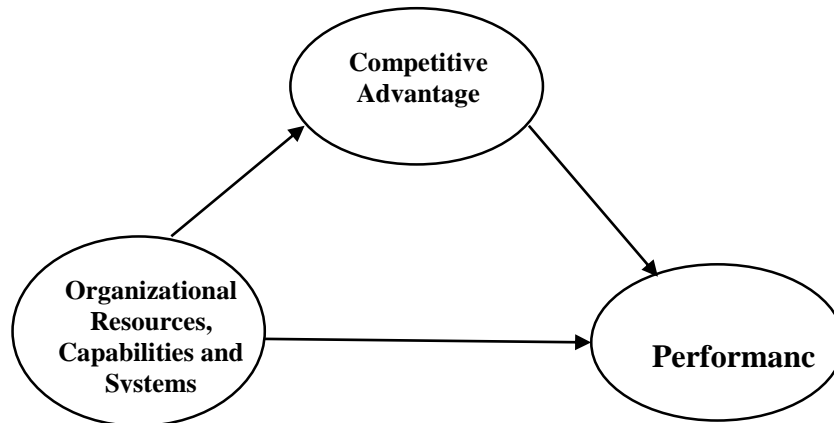


Figure 2-1 The VRIO Framework Source: Raduan et al.

The model above proved that the Resource Based View of the firm's Competitive advantage is a part of the main strategic management theories with regards to organizational consequences. (Spanos and Lioukas, 2001, Peteraf and Barney, 2003) argued that in the 1990s, there were several increments to the resource-based method with many researchers concentrating on the sources of sustainable competitive advantage moving from manufacturing to firm explicit effects. They continued that more resource-based view studies decide to "deal with the enterprise and not fuzz about the factor market situations that the enterprise must deal with, to explore some potential grounds of sustainable competitive advantages" owing all external environmental factors constant. The research added that resources are used in the creation of entry barricades thereby increasing performance at the industry level. For instance, Coca Cola Ghana Limited can use its lobbying capability to prompt Ghana government to erect entry barriers to enable the firms in the industry increase their prices. Based upon the above elaborate literature that seeks to tackle firm's performance with regards to competitive environment and resources, the hypothesis below was formulated;

H₃: Resources and competitive environment have a moderating effect on a firm's performance.

Human Resource Strategies in Sustainable Competitive Advantage: In today's dynamic business environment, human resource strategy is a dire area of concern that firms must concentrate on due to increased competition. Currently the engaging and maintaining of highly qualified staffs in organization is becoming more cumbersome as the advancement and productivity of the organization hinges on how well the organization managed its human resources. The functions of human resources that an organization performs in achieving the organizational goals and missions may lead an organization to competitive advantage since the organizational success or failure relies on how best it performs its functions likened to a competitor (Competitive Advantage). This precedes the formulation of the forth hypothesis.

H₄: Human resource strategies influence organizational competitive advantage and performance positively.

The literature above shows that the idea of an impact of sustainable competitive advantage on a firm's performance, is constituted mainly by four parts, competitive advantage on firm's

performance, resources and competitive environment on firm's strategies, resources and competitive environment on firm's performance, and human resource strategies. The literature review then reveals that the four components stated above are in a positive relation to the competitive advantage of firm's performance.

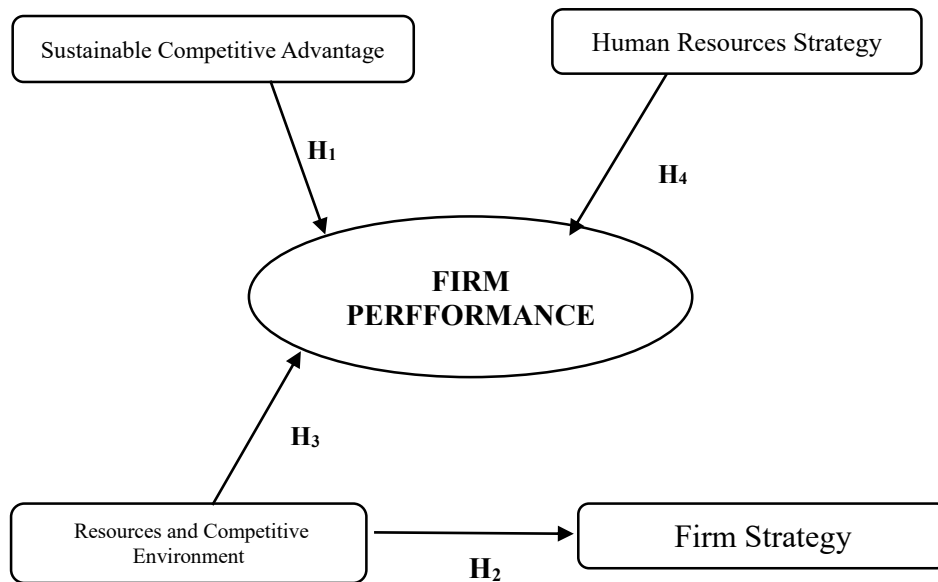


Figure 2-2 Conceptual Framework, Source: Authors Construct, 2018.

METHODOLOGY

This study adopted the mixed method approach as a technique for gathering, analyzing and combining both quantitative and qualitative data in a particular study to answer the research questions. An Initial contact was established with the Coca-Cola Ghana limited for assistance in the study covering the impact of a sustainable competitive advantage on a firm's performance. After the design, the questionnaires were sent out to be filled by the staff and other stakeholders of Coca-Cola Company of Ghana. 359 out of the 400 responded. Data was obtained through the survey questionnaire method which contained both closed and open-ended questions. In the questionnaire design process, the issues of how to keep the questions simple and apparently was acute to consider so as to avoid distortion of facts and findings. The implementation of the survey for the study was classified into two categories. The first category was to present the current demographical and descriptive statistics of the respondents while the second formulates the required information for the five constructs. These are named as firm's performance (dependent variable), sustainable competitive advantage, firm's strategy, human resource strategy, and resources and competitive environment.

Table 3-1 Variable Definitions, Source Authors Construct, 2018.

| Variable | Indicator | Source |
|---|--|--|
| FP Firm's Performance (dependent variable) | Firm performance is a relevant construct in strategic management research. Determining the appropriate construct of performance involves measure ranging from employee satisfaction to shareholder wealth. With regards to this study, the firm performance is measured based on the sustainable competitive advantage, firm's strategy, human resources strategy, and resources and competitive environment. | (Juliana & Luiz, 2012), (Cameron, 1986; Goodman and Pennings, 1977; Steers, 1975), Combs et al. (2005), (Carneiro, Silva, Rocha & Dib, 2007)[80] |
| SCA Sustainable Competitive Advantage | There is a significant relationship between competitive advantage and performance. Sustainable competitive advantage position is expected to lead to superior performance. Competitive advantage position will lead to superior firm's performance. | (Ma, 2000; Fahy, 2000; Gimenez and Ventura, 2002; Wang et al., 2003; Wiklund et al., 2003; Bowen et al., 2004; Morgan et al., 2004; Ray et al., 2004 |
| FS Firm's Strategy | Firm's strategy is reliant on and constrained by the controlled resources. Firm's strategy directs the development and protection of existing resources and new resources, taking into account the competitive environment. | Barney's (1991), Harris and Ruefli, (2000), (Collis, 1991) |
| RCE Resources and Competitive Environment | Resources have a rent-producing possibility if they contribute to building competitive advantage. Resources rise the firm's ability to charge high prices for helping competitive advantage. | (Newman & Hodgetts, 2005), (Plessis, 2007), Losey (2005), Coff (1994) |
| HRS Human Resource Strategies | Human resource strategy is a critical area of concern that firms concentrate due to increased competition. Human capital is the key to sustainable advantage. | (Newman & Hodgetts, 2005), (Plessis, 2007), Losey (2005), Coff (1994) |

| | | |
|--|--|--|
| | Human resource strategies can influence the future by ratifying an organizational change to get a competitive advantage. | |
|--|--|--|

Data Analysis Method

Data assembled from the structured questionnaires handed out to the sample size was analyzed by the use of computer software known as Partial Least Square Equation Model. The quantitative processing was analyzed using the version 3.0 of Smart PLS. The Partial Least Square Equation Model was used (PLS-EM) because it does not consider distribution assumptions as the covariance based - method of structural equation model. That is why PLS is very robust than any other structural equation modeling procedures.

RESULTS/FINDINGS

Reliability and Validity

The reliability and validity of the dataset used for the partial least square structural equation modeling need to be tested, and in accessing the reliability of their measuring instrument, the assistance of the Cronbach's alpha coefficient is needed. The Cronbach's alpha coefficient ranges from 0 to 1 with 0 representing no internal reliability while 1 indicates perfect internal reliability. Henson (2001) stated that the acceptance of the internal reliability is subject to the coefficient alpha value range which must be in between 0.6 to 0.7 representing acceptable reliability. Also, the value will be regarded as good reliability if it ranges from 0.7 to 0.9, but the value becomes excellent if it's greater than 0.9. For the values that fall outside the stated range above, will be considered as poor and unacceptable reliability with the ranges of 0.5 to 0.6 and less than 0.5 respectively. We adopted Cronbach's the alpha lowest value of 0.5 for our study to ensure fair reliability.

Convergent reliability is described by Hair Jr. (2016) as the amount to which a quota relates productively with different measures of a specific construct. They can be gotten by observing the composite reliability, average variance extracted (AVE) and factor loading. In Table 3.2, we presented the outcomes of the factor loading values to confirm the affirmation of a threshold level of 0.6. The outcome values in Table 3.2 exceeds the 0.6 threshold level. The convergent validity was proven by scrutinizing the average variance extracted (AVE), taking into consideration the suggested value of 0.5 or above. With confirmation from the table 3.2 below, all the AVE values outstrip 0.5 which endorses that all the constructs clarify almost all of the discrepancies of its indicators. In agreement with the composite reliability, the results prove that the experimental composite reliability values of 0.824 to 0.871 exceed the acclaimed value of 0.7 or above projected by Hair Jr. (2016).

Table 3-2 Convergent Validity Analysis (N=359)

| Constructs | Indicators Discriminant | Standardized Loadings | Cronbach's Alpha | Composite Reliability | AVE | Validity? |
|---------------------------------------|-------------------------|-----------------------|------------------|-----------------------|-------|-----------|
| Sustainable Competitive Advantage | SCA1 | 0.602 | 0.743 | 0.841 | 0.573 | Yes |
| | SCA2 | 0.763 | | | | |
| | SCA3 | 0.765 | | | | |
| | SCA4 | 0.874 | | | | |
| Human Resource Strategy | HRS1 | 0.789 | 0.801 | 0.871 | 0.628 | Yes |
| | HRS2 | 0.784 | | | | |
| | HRS3 | 0.73 | | | | |
| | HRE4 | 0.862 | | | | |
| Firm's Strategy | FS1 | 0.658 | 0.715 | 0.824 | 0.542 | Yes |
| | FS2 | 0.69 | | | | |
| | FS3 | 0.848 | | | | |
| | FS4 | 0.756 | | | | |
| Resources and Competitive Environment | RCE1 | 0.773 | 0.757 | 0.847 | 0.583 | Yes |
| | RCE2 | 0.642 | | | | |
| | RCE3 | 0.807 | | | | |
| | RCE4 | 0.735 | | | | |
| Firm's Performance | FP1 | 0.659 | 0.77 | 0.854 | 0.598 | Yes |
| | FP2 | 0.889 | | | | |
| | FP3 | 0.806 | | | | |
| | FP4 | 0.718 | | | | |

Discriminant Validity Analysis

The study used discriminant validity analysis statistically to set up the similarity or the differences between two constructs. The study then applied Fornell-Larcker measurement to define the discriminant validity by applying the conservative method. Fornell & Larcker, said, the technique endorses constructs by associating the square root of Average Variance Extracted (AVE) with the result of the latent variable correlation. The results in Table 3.3 confirm the AVE's square root values (in bold) in the diagonals were greater than their corresponding row and column values.

Table 3-3 Discriminant Validity Measurement by Fornell-Lacker.

| | Sustainable Competitive Advantage | Firm's Performance | Human Resource Strategy | Firm's Strategy | Resources and Competitive Environment |
|-----------------------------------|-----------------------------------|--------------------|-------------------------|-----------------|---------------------------------------|
| Sustainable Competitive Advantage | 0.764 | | | | |
| Firm's Performance | 0.661 | 0.773 | | | |
| Human Resource | 0.502 | 0.649 | 0.793 | | |

| | | | | | |
|---------------------------------------|-------|-------|-------|--------------|--------------|
| Strategy | | | | | |
| Firm's Strategy | 0.616 | 0.531 | 0.613 | 0.736 | |
| Resources and Competitive Environment | 0.407 | 0.651 | 0.658 | 0.682 | 0.737 |

Path Analysis

Since PLS conducting uses the manifest and the latent variables without any distribution assumptions, the manifest variables of an explicit dormant variable must obtain 0.2 or more as an acceptable value to compute for the path coefficient and total score of the latent variable on the dependent variable. It was given that a manifest variable with 2.0 or more value backs the discriminant validity test in a level to accept the validity results. With regards to the results of our study, all the manifest variables had 2.0 or more value demonstrating that the variables contribute towards the latent variable results. After obtaining the internal consistency reliability, convergent validity, and discriminant validity, the study measured the R² values (that is the size of the model's projecting accuracy) and their respective t-values. To obtain substantial, moderate, or weak endogenous latent variables, the corresponding R² values of 0.75, 0.50, or 0.25 respectively should also be achieved. From the structural model assessment outcome in figure 3-1, resources and competitive environment with R² =0.867 and firm's performance of R² =0.741 are the two latent variables which are more than half of the variances, therefore, can reflect as substantial variables.

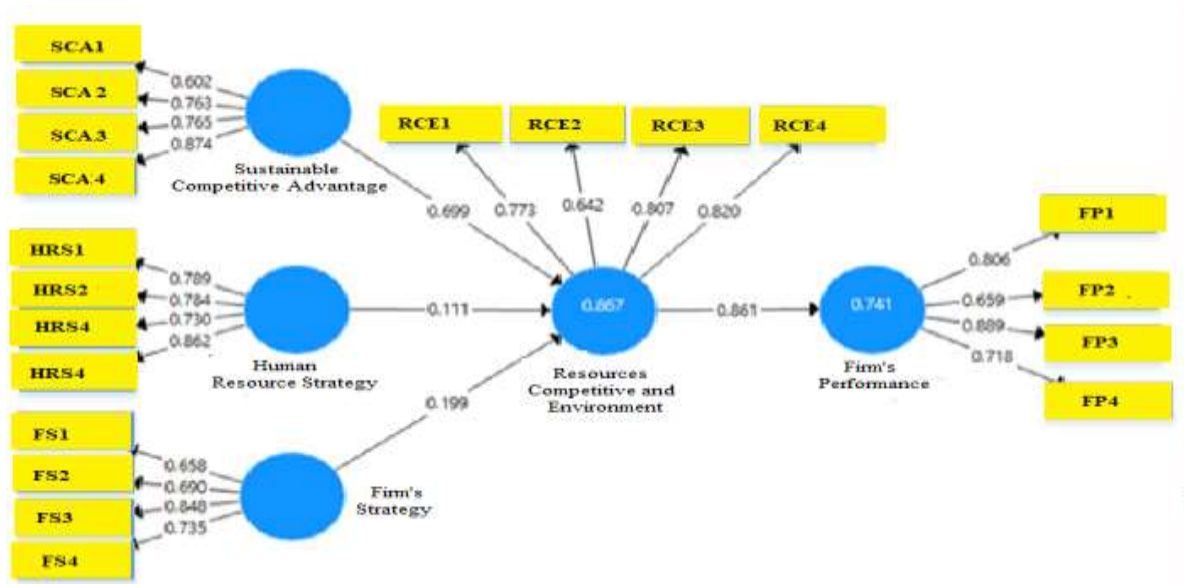


Figure 3-1 The Path Estimation Results

The R² is an indication that the latent variables have explained 86.70% of the resources and competitive environment variation and 74.10% on firm's performance variation. It, therefore, gives a basis for examining the model's fit of goodness. The results in Figure 3-1 showed that hypothesis 1 with R² value of 0.861 obtained a substantial endogenous latent variable,

hypothesis 2 with R^2 value of 0.699 is also a substantial endogenous latent variable. Meanwhile hypothesis 3 and 4 with R^2 values of 0.111 and 0.199 respectively obtained a weak endogenous latent variable. Therefore hypothesis 1 and 2 supports the path analysis outcome while hypothesis 3 and 4 are unsupported.

Hypothesis Testing

The potency of the structural model and the testing of the hypothesis was examined using bootstrapping, a resampling scheme that draws a large number of subsamples retrieved from the first dataset. After successfully conducting a path analysis for the examination of every variable and its contributions to the dependent variable, a t-test was further conducted. The study embarks on this testing to detect which set of variables has a significant influence on a sustainable competitive advantage's impact on a firm's performance and also to provide the base to either accept or reject the hypothesis. This is centered on the rule of thumb which states that the t-statistics value should be higher than 1.96.

Table 3-4 Result for T-Statistics Test

| Hypothesis | Independent Variables | | Dependent Variables | Path Coefficient | T-statistics |
|------------|-----------------------|---|---------------------|------------------|--------------|
| H1 | SCA | → | FP | 0.861 | 28.108 |
| H2 | RCE | → | FS | 0.699 | 11.421 |
| H3 | RCE | → | FP | 0.111 | 1.967 |
| H4 | HRS | → | FP | 0.199 | 3.378 |

Table 3-5 Results of Structural Model Analysis and Hypothesis Testing

| Hypothesis | Independent Variables | | Dependent Variables | Path Coefficient | T-statistics | P-Value | Decision |
|------------|-----------------------|---|---------------------|------------------|--------------|---------|-----------|
| H1 | SCA | → | FP | 0.861 | 28.108 | 0.000 | Accept H1 |
| H2 | RCE | → | FS | 0.699 | 11.421 | 0.000 | Accept H2 |
| H3 | RCE | → | FP | 0.111 | 1.967 | 0.069 | Accept H3 |
| H4 | HRS | → | FP | 0.199 | 3.378 | 0.002 | Accept H4 |

The outcome proves that the study's proposed hypotheses has a significant relationship with their corresponding endogenous variables. Table 3-5 shows the relationship between sustainable competitive advantage on firm's performance as supported by H1: ($\beta = 0.861$, $p < 0.01$). Also, the relationship between resources and competitive environment, and firm's strategy is supported by H2: ($\beta = 0.699$, $p < 0.01$). H3 also establishes that resources and competitive environment are directly related to firm's performance with $\beta = 0.111$, $p < 0.01$. Finally, H4, confirms the relationship between human resource strategy and firm's performance as positive ($\beta = 0.199$, $p < 0.01$).

DISCUSSIONS

Many studies of different researchers support the relationship between the competitive advantage and firm performance positively. However, the nature and effects of firm's competence empirically suggests a productive chance for taking the advantage on competitors, along with a contribution to further studies for searching the approaches of increasing firm performance. The aim of a sustainable competitive advantage on a firm's performance is to concentrate on the resources and competitive environment, the reliability of firm's strategy and the implementation of high human resource strategies. By this means, it will have a significant impact on the firm's performance. Concerning this, the study's primary objective is to ascertain the effect of a sustainable competitive advantage on firm's performance.

The study was necessary to other firms in Ghana because the Coca-Cola Company, the world's leading non-alcoholic beverage producer says they are not only going to take advantage of the growing opportunities in emerging markets to continue their investment, but equally abet in building sustainable communities in these markets. In so doing, it will continue to help them use the resources and competitive environment to sustain their competitive advantage over other beverage firms. The study's outcome demonstrated that 86.70% of the resource and competitive environment variation is elucidated by the impact of sustainable competitive advantage on firm's performance. Some specific components of SCA that were identified to have an effect on firm's performance are resources and competitive environment, firm's strategies, and human resource strategies.

This inferred that firms could build a constant high performance when they have higher assets and competitive environments to operate. Coca-Cola Ghana limited can rely on the resources that are worthy and erratic for the sustainable competitive advantage for high performance because this advantage can be sustained over a long period of time. This is justified by (Barney 1991) that the Resource-Based View theory suggests that firms have resources which enables them achieve competitive advantage and an advanced performance. It further supported these literatures by (Miller & Ross, (2003) which states that the resource-based view (RBV) of the firm predicts that specific resources types that the firm possessed and had power over, have the potency and prospect to produce competitive advantage, which in the long run leads to higher firm's performance.

The study demonstrated that a sustainable competitive advantage is positively related to firm performance. This is the first hypothesis the study proposed and the result provided by the t-statistics is as high as 28.108 which signifies clearly, that there is a high influence on firm's performance. This result does not support the argument of (Ma, 2000) which states that competitive advantage and firm's performance are two different constructs and their relationship appears to be complicated. However, it supports Fahy (2000) who argues that the attainment of a sustainable competitive advantage position can be expected to lead to higher performance.

With regards to resources and competitive environment which the study proposed that it has a moderating effect on firm's strategy, the t-value results of 11.421 demonstrate a highly significant value. This supports Harrison et al. (2001) which states that firm's strategy acts as a support in the organization of firm properties in the competitive environment with the intention to cause sustained competitive advantage. It also supports more existing literatures such as (Powell, 2003; Porter & Kramer, 2006) which states that a well-formulated and instigated strategy of a firm can utilize a significant influence on attaining a level of competitive

advantage.

Human resource strategies have revealed to have an influence on organizational competitive advantage and performance positively. The study's results also supports that human resources such as top and middle management, and administrative and production employees are similarly capable to clarify the extent of firm's competitive advantage and the outcome of the firm's performance (Morgan et al., 2004) The Coca-Cola Ghana limited can focus more on the resources in its competitive environment since the outcome of the study demonstrated and supported the assentation of the resource-based view, which discusses that to develop a competitive advantage, the firm must have resources and capabilities that are superior to those of its competitors. This will help Coca-Cola Ghana limited to maintain its superiority because without it the competitors could replicate what Coca-Cola Ghana limited was doing and their advantage would quickly disappear.

Implications to Research and Practice

The Coca-Cola Ghana limited can focus more on the resources in its competitive environment since the outcome of the study demonstrated and supported the assentation of the resource-based view, which discusses that to develop a competitive advantage, the firm must have resources and capabilities that are superior to those of its competitors. This will help Coca-Cola Ghana limited to maintain its superiority because without it the competitors could replicate what Coca-Cola Ghana limited was doing and their advantage would quickly disappear. Also, resources are the firm's specific assets which are valuable for the creating of differentiation advantage. Therefore, other competitors can easily acquire being in the form of patents and trademarks, installed customer base, brand equity, proprietary know-how and reputation of the firm.

CONCLUSIONS

The paper's primary objective was to examine and ascertain the impact of a sustainable competitive advantage on firm's performance using evidence from Coca-Cola Ghana limited. The study provided the precise objectives to show a flawless understanding of firm's performance and the impact of its sustainability. These were given as identifying how firms in the same industry achieve competitive advantage, identifying ways to sustain competitive advantage, examining the effects of sustained competitive advantage on a firm's performance, and assessing how sustained competitive advantage can improve a firm's performance level. The study proposed four hypotheses in which when the data was analyzed and the hypotheses tested, it supported the hypotheses and the outcome proves that the hypotheses suggested by the study, had a significant relationship with their corresponding endogenous variables. Also, the results of the partial least squares structural equation modeling analysis showed that resource and competitive environment have a higher impact on firm's performance with a sustainable competitive advantage in play.

It is therefore essential that Coca-Cola Ghana limited can concentrate on its resources and the competitive environment if it wants to sustain its competitive advantage to enhance the firm's performance in the beverage industry. It could further rely on the human resource strategy of the firm to sustain its competitive advantage to improve the firm's performance with other prototypes like, the firm's strategy also found to be positively connected to the fruitful results of sustaining competitive edge to improve the firm's performance.

Future Research and Limitations

Small sample size; since it is the influential factor for the study's outcome. It should all the time be an appreciable size to reflect the size needed truly. The study used a standard size within four regional capital cities of Ghana, in contrast to its ten regional capitals. Also, the study could not compare the results to other beverage companies to demonstrate how Coca-Cola Ghana limited can really sustain competitive advantage to justify the results. It is likely that the research results will not be applicable to another firms' performance since it was based solely on a beverage company. For further research, it is highly recommended that population size should be broadened to cover all the regional cities to reflect national results truly. Also, we could compare Pepsi-Ghana limited as a future topic since they are the primary competitor when it comes to beverage companies in Ghana.

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