

Resource Reconfiguration Capability and Corporate Vitality of Domestic Airlines in Nigeria

Adim, Chidiebere Victor PhD. and Mezeh, Akpobolokami Andy

Department of Management, Faculty of Management Sciences, Rivers State University, Nkpolu-Oroworukwo, Port Harcourt, Nigeria

ABSTRACT: This study examined the relationship between resource reconfiguration capability and corporate vitality of domestic airlines in Nigeria. The study adopted an explanatory cross sectional survey research design which was carried out at the organizational level of analysis. The population of this study was the nine (9) operational scheduled domestic airline operators in Nigeria. The study adopted the entire population as a census. The reliability of the instrument was ascertained using the Cronbach alpha reliability instrument with all items scoring above 0.70. The Spearman Rank Order Correlation Coefficient was utilized to establish the level of relationship as hypothesized with the aid of Statistical Package for Social Sciences version 23.0. Findings revealed that there is a strong positive significant relationship between resource reconfiguration capability and corporate vitality of domestic airlines in Nigeria. This study concludes that when domestic airlines in Nigeria deploy their resource reconfiguration capability it enhances the corporate vitality especially in the dynamic business environment. The study recommends that domestic airlines managers should also develop valuable capability elements to connect and combine them in new ways, change their strategic responses, implement new kinds of management methods that are more responsive within their business processes, transform existing resources into new capabilities and integrated new externally sourced capabilities and combine them with existing capabilities in order to achieve competitive advantage.

KEYWORDS: *Resource Reconfiguration Capability, Corporate Vitality, Agility, Learning*

I. INTRODUCTION

Nigeria's aviation industry is an integral part of the nation's transport sector. The industry comprises both domestic and foreign airlines operating scheduled and chartered flights within and outside Nigeria. The nation's long-standing recession has created a negative impact on the aviation industry. Economic constraints have also undermined the demand for air travel and reduced government allocation to the sector, resulting in the dilapidation of aviation infrastructure, with the attendant consequences for safety and growth. The domestic airlines in Nigeria are high passenger movers. Traffic shows that over the period 2007–2016 Lagos, Abuja and Port-Harcourt airports accounted for 76% of domestic passenger traffic at the twenty (20) domestic airports (Daramola & Fagbemi, 2019). During the 2008–2017 period, 139 million passengers flew through Nigeria's airports, 100 million of these were domestic passengers, while the rest were International passengers. Domestic passengers formed over 70% of passenger traffic during the period (Daramola & Fagbemi, 2019). Without fear of equivocation, the scheduled flight operators provide a large chunk of the passenger traffic, hence also contribute more to the GDP of Nigeria and hence it would worthwhile to examine their operations. Secondly, because the industry has witnessed a high turnover of domestic scheduled carriers since deregulation; generally, many of the local scheduled carriers experiences in the industry have been short lived, with many often operating a few years and then folding up. This makes them a viable unit for data generation to understand the causes of their lack of vitality overtime and high rate of corporate mortality.

Domestic airlines in the Nigerian aviation industry have been tottering on the edge of extinction (Faajir & Zidan, 2016). In fact, only nine out of the one hundred and fifty airlines that registered with the Nigerian Civil Aviation Authority are in operation (Olukoya, 2017). Generally, domestic airlines seem to have low level of vitality and adaptability since they find it difficult to maintain their functions during and after crises, such as economic recession, crashes and stiff competition. The low level vitality of the sector is evidenced by dwindling profitability, baggage delays, flight delays, cancellations and corporate death (Daramola, 2014; Eke, 2016). A

key to reversing this trend is the ability of domestic airlines to reconfigure its resources in the environment marked by dynamism, uncertainty and complexity of the business environment.

A key to gain long-term competitive advantage is the talent to recombine and to reconfigure assets and organizational structures along with the change of the markets and technologies. In other words, some level of practice is needed to gain success and efficiency (Teece, 2007: 1335). “Managing threats and reconfiguration” belongs to the third of the fundamental classes of dynamic capabilities. According to Teece (2007: 1335) success will cause the entrepreneur to evolve in a path-dependent way and “a key to sustain the profitable growth is the ability to recombine and to reconfigure assets and organizational structures as the enterprise grows, and as markets and technologies changes, as they surely will”. Teece (2007) explains that the individuals create the opportunities and that the process requires knowledge, creative activity and the ability to understand the customer needs. Furthermore, to sustain superior firm performance the enterprise has to develop corporate culture, design reward systems and retain committed talent (Teece, 2007).

In a turbulent and dynamic business environment in which organizations operate, acquiring new knowledge through learning and reconfiguring a firm’s assets, structures and competence is a prerequisite for its survival and growth (Rehman & Saeed, 2015). In mitigating environmental turbulence risks, companies across the globe have focused on strategic workforce agility in achieving targeted performance. Volatility risks triggered by environmental turbulence serves as a threat in achieving targeted performance (Poi & Adim, 2021). Organizations need to build their capacity to learn and integrate what they learn to build strategic assets and reconfigure their internal competencies to gain competitive advantage. Learning and reconfiguration is an essential aspect of family businesses that desires long-term survival and growth (Kareem & Alameer, 2019). Learning and reconfiguration capabilities are the firms’ ability to learn from its environment and then integrate the outcome in the enterprise towards building and reconfiguring the firm’s assets, structure, competences and developing strategies that will bring about the desired change and ensure the business survival (Zaidi & Othman, 2011; Yatim, Suharyono, Utami, Saifi & Tahili, 2020).

The purpose of this study therefore was to examine the relationship between resource reconfiguration capability and corporate vitality of domestic airlines in Nigeria. Also, this study was guided by the following specific objectives:

- i. What is the relationship between resource reconfiguration capability and innovativeness of domestic airlines in Nigeria?
- ii. What is the relationship between resource reconfiguration capability and flexibility of domestic airlines in Nigeria?



Figure 1: Conceptual model for the relationship between resource reconfiguration capability and corporate vitality
Source: Desk Research (2022)

II. LITERATURE REVIEW

Resource Reconfiguration Capability

Reconfiguration refers to the creation and integration of capabilities internally or those acquired from external sources. Building capabilities internally relates to the transformation of existing capabilities, i.e. to change the form, shape, or appearance of capabilities existing within the firm (Teece, 2007). This includes redeployment or recombination of existing capabilities (Ahuja & Katila, 2004). Acquiring or transferring capabilities from external sources is exemplified by licensing, purchasing contracts, alliancing, mergers and acquisitions (Capron & Mitchell, 2004; Capron & Mitchell, 2009). Measures from a previous study (Pavlou & El Sawy, 2011) were adopted. According to Cao (2011), this is the recombination and reconfiguration of the firm’s assets, processes

and structures to match the shifting operating environment. It calls for business model redesigning, alignment and revamping of routines.

Reconfiguration capabilities refer to the frequency, speed and rate of revision of activities concerning change such as business strategies, business operations and markets. This is the firm's strategic orientation in terms of behaviour, process, product and innovation. This is the capability creation and integration process. Examples include changes to the form, shape or appearance of capabilities and redeployment or recombination of existing capabilities within the firm (Carlile, 2004; Teece, 2007; Ahuja & Katila, 2004) or acquisition of capabilities with or without physical transfer from outside sources (Capron, Peng, 2001; Capron & Mitchell, 2009). Reconfiguration capabilities enable a firm to build a repository of tact for adoption in case of environmental shift, thereby ensuring that performance is not only achieved, but improved too.

In the theoretical literature on dynamic capabilities, certain organisations are attributed with strong or weak reconfiguration capability. Eisenhardt and Martin (2000) praise Disney for its 'shifting synergies' and Dell for its superior 'patching' abilities in matching operating businesses to changing consumer demand. Dell and Johnson & Johnson are also cited by Helfat *et al.* (2007) as examples of organisations possessing executives with outstanding 'patching' capabilities allowing them to move their organisations into and out of different markets. In contrast to these examples, Helfat *et al.* (2007) present the example of Rubbermaid which, despite the high quality of its products, founded as a company due to the failure of its senior management team to recognise the growing importance of price within its industry (thereby demonstrating a lack of the dynamic capability of 'managerial cognition'). At a lower level, those managers who were close to buyers recognised that their firm's products had become over-priced but they failed for political reasons to flag the problem to their superiors, demonstrating 'poor managerial opportunity recognition capabilities' (Helfat *et al.*, 2007: 116).

Corporate Vitality

Organizations are like human beings, as human beings required a proper diet, life style, mental and physical exercises to remain healthy, in the similar way, organizations also require some kinds of life ingredients to become and remain a vitalized organization. Organization vitality has been classified into four types: i) operational; ii) intellectual; iii) emotional; and iv) spiritual (Sushil, 2005). A continuous vitalization process is required to remain a healthy organization for a longer period of time. The operational and intellectual vitality explains the smooth and agile functioning of the organization in its routine activities and its evolution into innovative and challenging areas with minimum time and efforts. Organization vitality helps organization to know when there is requirement of a change for successful running of the organization, and provides strength to deal with the changing environment. Vitality word, in general, refers to health or growth and defines the healthy existence of an organization (Bishwas, 2015). Kark and Carmeli (2009), posit that the involvement in creative working helps in achieving high vital state. Organization vitality is enhanced by the number of new possibilities within the uncertain environment and helps in organizational survival (Loverde, 2005). Therefore, corporate vitality is the corporate energy reflected in its resource, competencies and capabilities to enable it compete favourably, survive and gain competitive advantage (Akpotu & Konyefa, 2018).

Palmer (2011) has viewed corporate vitality as the totality of the functional operational capacity of the firms that is sustained for long-term survival. Fundamentally, organizations are focused at crafting strategic alternatives that position them in their environment with a view to reaching desired goals and objectives. Corporate vitality provides the reiterating capacity and competences that channels actions at goals. Mavis (2011) discussed vitality of firms in relation with firm's ability to acquire resources that are needed for competitiveness. The author had characterized vitality of firms as been resourceful to the extent that it barely lacks the fundamental operational and administrative capabilities that promotes attainment of corporate goals.

Innovativeness

Organizations having high vital force can adapt the environmental changes easily than others. Organizations with innovation orientation can grasp the new opportunities, attract new customers, and may lead to achieve high growth and profitability (Pearce, 2009). Exchange of ideas is the prime requirement for developing innovation in the organization. Collaborative environment in the organization provides a platform for knowledge flow and ideas. Creativity is a collective process where a collective effort is required rather than limited up to personal level. People from more diverse background increase the probability of newer ideas that may lead to more innovation. A collaborative environment in the organization promotes sharing of ideas among the individuals and raises the innovation level. Lack of collaborative environment causes the blockage of knowledge flow and is one of the reasons for reduction of innovation (Nonaka & Toyoma, 2005).

Innovation process has been considered as one of the critical dimensions for the success and growth of organizations (Julienti, Bakar & Ahmed, 2010). In the changing environmental conditions, innovation process in the organization integrated with flexibility, make it easy for the organization to manage the changes. Liao, Fei and Liu (2008) have defined these two as the key processes for long-term survival and success. Innovation can be enhanced in the organization if flexibility issues taken as a concern in the communication process. This allows top-down, bottom up, and lateral communications within organizations and promote the innovation process (Egbu, 2004).

Organizations can discover and exploit the market opportunities using its entrepreneurial talent (Fedrici, Ferrante & Vistocco, 2007). Corporate entrepreneurship is positively associated with a company's growth and profit (Covin & Slevin, 1991). Managerial practice intensity is one of the prime requirements for successful corporate entrepreneurship. Incorporating flexibility issues in planning, use of strategic controls, and involvement of people in the processes develop more entrepreneurial behavior. Barringer and Bluedorn (1999) have also considered corporate entrepreneurship as an important aspect for organization's survival and performance.

Availability and accessibility of resources effect organizational innovation, people should be aware about the available knowledge and knowledge gap. Herkema (2003) suggested knowledge acquisition and sharing of knowledge as the key steps of successful innovation and accessibility of facility and resources play a critical role in that. Similar findings were suggested by Dobni (2008) that access to facility and resources are one of the reasons of increasing innovation in the organization. Organizations with diverse knowledge people are supposed to be more involved in sharing and developing thinking skills that, finally, lead to more innovation.

Innovation is the route by which firms create inimitable assets, and so achieve sustainable competitive advantage (Esteve-Perez & Manez-Castillejo, 2008). The underlying rationale is that encouraging firms to innovate will lead to a better economic performance, higher growth, more jobs and higher wages (Duran, Kammerlander, Van Essen & Zellweger, 2016). Successful corporate entrepreneurship involves simultaneous attention to both innovation and exploitation and therefore involves an array of activities and processes. Innovative firms show significantly higher profits and growth figures than firms that are not innovative. These innovations renew companies, enhance their competitive advantage, spur growth, create new employment opportunities and generate wealth (Goksoy, Vayvay & Erganeli, 2013).

Resource Reconfiguration Capability and Corporate Vitality

Very recently, Rono, Korir and Komen (2021) carried out a study on effect of dynamic capabilities on competitive advantage of manufacturing firms in Nairobi, Kenya. The study adopted explanatory research design and data was collected using survey approach on a target population of 762 manufacturing firms registered under Kenya Association of Manufacturers. A sample size of 321 firms was selected based on Yamane formula of determination in selecting respondents to be served with the questionnaires. Pearson correlation was used to test the linear relationship of variables while multiple regression model was used to analyze data in order to test the hypothesis for the study. Descriptive and inferential statistics were used in data analysis and the study findings revealed that there was a positive and significant effect of sensing capabilities and competitive advantage ($\beta=.392$, $p=.000$); seizing capabilities and competitive advantage ($\beta=.194$, $p=.000$); reconfiguration capabilities and competitive advantage ($\beta =.174$, $p=.001$) with all p-value being less than .05. The study concludes that firms with a stronger commitment to deploying dynamic capabilities (sensing, seizing and reconfiguration) are more successful hence firms need to continuously deploy all firm-relevant capabilities in line with the Dynamic Capabilities View and Resource-Based View because ignoring deployment of a single dynamic capability can negatively affect the deployment of other dynamic capabilities since they are correlated and interwoven together.

Also, Bayo and Hamilton (2019) examined the influence of knowledge acquisition on organizational dynamic capabilities of telecommunication firms in the South-South Region of Nigeria. A sample of 136 respondents was drawn through proportional sampling technique from the population of 210 managers and supervisors of four Nigerian Communication Commission recognized and authorized Global System Mobile telecommunication firms in the South-South region of Nigeria. The research design was correlation survey design. Data comprised of more data sources using the structured questionnaire. The Spearman's, rank order correlation coefficient was used to test the relationship between knowledge acquisition and the measures of organizational dynamic capabilities (sensing, learning and reconfiguring capabilities). The result from the test on the hypotheses reveals that knowledge acquisition significantly contributes towards organizational dynamic capabilities as it impacts on sensing capability (where $\rho = 0.559$ at a $P = 0.000$); learning capability (where $\rho = 0.402$ at a $P = 0.000$); and reconfiguring capability (where $\rho = 0.651$ at a $P = 0.000$).

The impact of reconfiguration capabilities was examined by Ofoegbu and Onuoha (2018) who carried out a study on Dynamic Capabilities and Competitive Advantage of Fast Foods Restaurants in Rivers State, Nigeria. A cross-sectional survey research design was adopted, while primary data was collected via the administration of a structured questionnaire. The participants of this study were drawn from fast food restaurants which are located within the University of Port Harcourt complex, and the adjoining Choba town. Data generated from the respondents were analyzed using the Kendall (1955) correlation coefficient statistical technique through the Statistical package for social sciences (SPSS) version 22. The result showed that all the dimensions of dynamic capabilities (sensing-, learning-, and reconfiguration capabilities) have a positive and significant correlation with competitive advantage of the fast food restaurants, with sensing capability returning tau of .814, $p = .001$, learning capability having .799, with $p = .000$, and reconfiguration capability having tau = .714 and $p = .000$. The study concludes that the analysis revealed that the dimensions of dynamic capabilities (sensing, learning and reconfiguration) are positively correlated with the competitive advantage of the firms.

Similarly, Jantunen, Puumalainen, Saarenketo and Kylaheiko (2005) explored the effect of an entrepreneurial orientation and a firm's reconfiguring capabilities on international performance of Finnish companies. The study used a survey data from 217 manufacturing and service organizations in Finland. The hypotheses were tested by hierarchical linear regression analysis. The findings indicate that a firm's entrepreneurial orientation and reconfiguring capabilities have an effect on its international performance and provide empirical support for the dynamic capability view of the firm. Entrepreneurial behaviour combined with organizational reconfiguring capabilities constitutes a potential source of competitive advantage.

Harleen and Abrol (2017) indicated that learning and reconfiguration influence sustainability and enhance firm innovativeness to improve performance. Also, Kindström, Kowalkowski and Sandberg (2013), pointed out that effective learning enables firms to acquire, interpret and transform new knowledge that improves firm performance. Also, Karim and Capron (2016) found that effective reconfiguration enables firms to combine and redeploy resources, adjust structures and processes to harness venture opportunities capable of improving firm performance.

Based on the following discussion, it is hypothesized that:

- H₀₁:** There is no significant relationship between reconfiguration capability and innovation of domestic airlines in Nigeria.
- H₀₂:** There is no significant relationship between reconfiguration capability and flexibility of domestic airlines in Nigeria.

III. METHODOLOGY

The study adopted an explanatory cross sectional survey research design which was carried out at the organizational level of analysis. The population of this study was the nine (9) operational scheduled domestic airline operators in Nigeria. The study adopted the entire population as a census. The reliability of the instrument was ascertained using the Cronbach alpha reliability instrument with all items scoring above 0.70. The Spearman Rank Order Correlation Coefficient was utilized to establish the level of relationship as hypothesized with the aid of Statistical Package for Social Sciences version 23.0.

Table 1: Reliability Cronbach's Alpha (α) test

Construct/dimensions	Pilot Test			Final study		
	Number of scale items	Number of Cases	Cronbach alpha (α)	Number of scale items	Cronbach alpha (α)	Number of Cases
Resource Reconfiguration	5	9	0.755	5	0.855	35
Innovativeness	4	9	0.876	4	0.887	35
Flexibility	4	9	0.890	4	0.853	35

Source: SPSS Output

Table 1 shows the results of the Cronbach alpha reliability test carried out using SPSS version 23.0 to assess the mean of the responses for each item. The results reveal that all the coefficients are higher than 0.70, which is the acceptable value. This indicates that the correlation within the study variables is high, therefore there is a high level of reliability of the research instrument.

DATA ANALYSIS AND RESULTS

Univariate Analysis

Table 2: Descriptive Statistics for items on Reconfiguration Capability

	N	Minimum	Maximum	Mean	Std. Deviation
We transform existing resources into new capabilities (such as; new product offering, new services delivery systems).	39	1	5	3.67	1.243
My organization reconfigures and transforms existing resources to enable the firm to address the prevailing changes in market conditions.	39	1	5	3.74	1.069
My organization modifies structures and routines practice to enhance efficient operations.	39	1	5	4.13	1.239
We maintain competitiveness by enhancing, combining, and when necessary reconfiguring the business enterprise's tangible and intangible assets.	39	1	5	4.15	1.182
We are more successful than competitors in diversifying into new markets by deploying existing technologies	39	1	5	4.21	1.128
Valid N (listwise)	39				

Source: SPSS Output

From table 2 in response to item one, respondents affirmed that they transform existing resources into new capabilities (such as; new product offering, new services delivery systems). This is accounted for by the mean score of 3.67. Similarly, it was agreed that the organization reconfigures and transforms existing resources to enable the firm to address the prevailing changes in market conditions. This is also confirmed by the mean score of 3.74. More so, the third item got similar approval as respondents agreed that the organization modifies structures and routines practice to enhance efficient operations. This is also confirmed by the mean score of 4.13. In addition for the fourth item, it was agreed that the organization maintain competitiveness by enhancing, combining, and when necessary reconfiguring the business enterprise's tangible and intangible assets. This is also confirmed by the mean score of 4.15 speaks volume of this status. For the fifth item, respondents were of the agreement that they are more successful than competitors in diversifying into new markets by deploying existing technologies. This is also confirmed by the mean score of 4.21. The implication of these responses is that the respondents in the domestic airlines in Nigeria are strongly of the opinion that sensing capabilities is an observed phenomenon in their organizations and hence are largely on the agreement range of the scale.

Table 3: Descriptive Statistics for items on Innovativeness

	N	Minimum	Maximum	Mean	Std. Deviation
We are willing to try new ways of doing business which are different from the existing.	39	1	5	3.54	1.484
We are always enthusiastic about adopting new ideas or new methods in my business operation.	39	1	5	3.64	1.564
We support new ideas, experimentation and creative processes that result in new products or services.	39	1	5	3.69	1.559
We always seek creative, extraordinary or strange solution to problems and needs.	39	1	5	3.72	1.356
Valid N (listwise)	39				

Source: SPSS Output

From table 3 in response to item one, respondents affirmed that organization is willing to try new ways of doing business which are different from the existing. This is accounted for by the mean score of 3.54. Similarly, it was agreed that they are always enthusiastic about adopting new ideas or new methods in my business operation. This is also confirmed by the mean score of 3.64. More so, the third item got similar approval as respondents agreed that the support new ideas, experimentation and creative processes that result in new products or services. This is also confirmed by the mean score of 3.69. For the fourth item, respondents were of the agreement that always seek creative, extraordinary or strange solution to problems and needs. This is also confirmed by the mean score of 3.72. The implication of these responses is that the respondents in the domestic airlines in Nigeria are strongly of the opinion that sensing capabilities is an observed phenomenon in their organizations and hence are largely on the agreement range of the scale.

Table 4: Descriptive Statistics for the responses on Flexibility

	N	Minimum	Maximum	Mean	Std. Deviation
Our organization is able to meet the changes in demands with its workforce.	39	1	5	3.79	1.472
Organization usually rethinks its strategies in a continuous manner	39	1	5	3.92	1.458
Managers are able to communicate the decision in a rapid way.	39	1	5	3.49	1.520
Organization is able to respond quickly to the changing competitive conditions	39	1	5	3.56	1.535
Valid N (listwise)	39				

Source: SPSS Output

From table 4.14 in response to item one, respondents affirmed that organization is able to meet the changes in demands with its workforce. This is accounted for by the mean score of 3.79. Similarly, it was agreed that adoption organization usually rethinks its strategies in a continuous manner. This is also confirmed by the mean score of 3.92. More so, the third item got similar approval as respondents agreed that the managers are able to communicate the decision in a rapid way. This is also confirmed by the mean score of 3.49. For the fourth item, respondents were of the agreement that Organization is able to respond quickly to the changing competitive conditions. This is also confirmed by the mean score of 3.56. The implication of these responses is that the respondents in the domestic airlines in Nigeria are strongly of the opinion that sensing capabilities is an observed phenomenon in their organizations and hence are largely on the agreement range of the scale.

Bivariate Analysis

The Correlation Rho values were used to provide answers to the research questions. The interpretation of the correlations rho values were guided by the positions of Cooper and Schindler (2014) on decision scale frame. The interpretation of Cooper and Schindler (2014) correlation decision scale frame as used in this study are presented below:

- i. $\pm 0.00 - 0.19$ = Very Weak Correlation
- ii. $\pm 0.20 - 0.39$ = Weak Correlation
- iii. $\pm 0.40 - 0.59$ = Moderate correlation
- iv. $\pm 0.60 - 0.79$ = Strong Correlation
- v. $\pm 0.80 - 0.99$ = Very Strong Correlation
- vi. ± 1 = Perfect Correlation

With regards to the test of hypotheses, the level of significance 0.05 was adopted as a criterion for the probability of accepting the null hypothesis in ($p > 0.05$) or rejecting the null hypothesis in ($p < 0.05$).

Resource Reconfiguration Capability and Corporate Vitality

Table 6 shows the result of correlation matrix obtained for resource reconfiguration capability and the measures of corporate vitality. Also displayed in the table is the rho-value which was used to answer the research question while the statistical test of significance (p - value) was used to accept or reject the hypotheses and generalize our findings to the study population.

Table 6: Correlations for reconfiguration capability and measures of corporate vitality

		Reconfiguration			
		n	Innovativeness	Flexibility	
Spearman's rho	Reconfiguration	Correlation Coefficient	1.000	.644**	.630**
		Sig. (2-tailed)	.	.000	.000
		N	39	39	39
	Innovativeness	Correlation Coefficient	.644**	1.000	.630**
		Sig. (2-tailed)	.000	.	.000
		N	39	39	39
	Flexibility	Correlation Coefficient	.630**	.630**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	39	39	39
		Sig. (2-tailed)	.000	.000	.000
		N	39	39	39
		N	39	39	39

Source: SPSS Output

IV. DISCUSSION OF FINDINGS

The finding revealed that there is a moderate positive and significant relationship between reconfiguration capability and corporate vitality of domestic airlines in Nigeria. This finding supports the earlier work of Rono, Korir and Komen (2021) who carried out a study on effect of dynamic capabilities on competitive advantage of manufacturing firms in Nairobi, Kenya and their finding revealed that there is a significant relationship between reconfiguration capabilities and competitive advantage. Similarly, the study finding also supports the study of Bayo and Hamilton (2019) who examined the influence of knowledge acquisition on organizational dynamic capabilities of telecommunication firms in the South-South Region of Nigeria. Their finding showed that knowledge acquisition significantly contributes towards reconfiguring capability.

Again, the finding aligns with Nonaka and Takeuchi (1995) that organizational learning is important to capabilities accumulation. It is not important for firms to accumulate the knowledge through static focus, but for transfer and creation of the new knowledge through dynamic focus. Dynamic capabilities mean to create, accept and implement the new idea, new process, new product and service. When a firm is full of learning atmosphere, it becomes easier for it to adapt to complicated environment. Zollo and Winter (1999) found that dynamic capabilities came from interaction among three learning mechanisms such as tacit knowledge accumulation, knowledge articulation, and knowledge codification processes. Eisenhardt and Martin (2000) also believed that learning mechanism not only guide the evolution and enhancement of dynamic capabilities. It is consist of the basis of path dependency. Subba and Narasimha (2001) found that organizational design and learning, and human resources management will promote the formation of dynamic capabilities. Also, Kindström, Kowalkowski and Sandberg (2013), pointed out that effective learning enables firms to acquire, interpret and transform new knowledge that improves firm performance. Also, Karim and Capron (2016) found that effective reconfiguration enables firms to combine and redeploy resources, adjust structures and processes to harness venture opportunities capable of improving firm performance.

Furthermore, the finding aligns with the earlier finding in the study conducted by Ofoegbu and Onuoha (2018) who carried out a study on dynamic capabilities and competitive advantage of fast foods restaurants in Rivers State, Nigeria and whose finding result showed that reconfiguration capability have a positive and significant correlation with competitive advantage of the fast food restaurants. Likewise, the study finding is in agreement with the finding in the study conducted by Kiiru (2015) who found that both competition orientation and customer orientation of an enterprise partially mediates the relationship between seizing and reconfiguration capabilities. The results indicated that customer oriented strategies coupled with reconfiguration capabilities were the most critical dynamic capabilities in enhancing an SMRE's competitive advantage. Also, the finding is in tandem with the earlier finding of Harleen and Abrol (2017) which indicated that learning and reconfiguration influence sustainability and enhance firm innovativeness to improve performance.

V. CONCLUSION AND RECOMMENDATION

Also, reconfiguration capability significantly relates with corporate vitality of domestic airlines in Nigeria. Implying that effective reconfiguration enables of domestic airlines to combine and redeploy resources, adjust structures and processes to harness venture op-opportunities and respond to changing market conditions.

The study recommends that domestic airlines managers should also develop valuable capability elements to connect and combine them in new ways, change their strategic responses, implement new kinds of management methods that are more responsive within their business processes, transform existing resources into new capabilities and integrated new externally sourced capabilities and combine them with existing capabilities in order to achieve competitive advantage.

REFERENCES

- [1]. Ahuja, G., & Katila, R. (2004). Where do resources come from? The role of idiosyncratic situations. *Strategic Management Journal*, 25(8- 9), 887-907.
- [2]. Akpotu, C., & Konyefa, R. (2018). Managerial mentoring behaviour and corporate vitality in the Nigerian Aviation Sector. *Advances in Social Science Research Journal*, 5(10), 44- 50.
- [3]. Pearce, M. (2009). A Perceptual Dialect Map of North East England. *Journal of English Linguistics*, 37 (2), 162-192.
- [4]. Bayo, P. L., & Hamilton, D.I. (2019). Knowledge acquisition and organizational dynamic capabilities of telecommunication firms in South-South, Nigeria. *International Journal of Innovative Information Systems & Technology Research*, 7(4), 47-59.
- [5]. Barringer, M. S. & Bluedorn, A. G. (1999). The relationship between corporate entrepreneurship and strategic management. *Strategic Management Journal*, 20, 421-444.
- [6]. Bishwas, S. K. (2015). Achieving organization vitality through innovation and flexibility: An empirical study. *Global Journal of Flexible Systems Management*, 3(1), 1-16.
- [7]. Capron, L., & Mitchell, W. (2004). Where firms change: Internal development versus external capability sourcing in the global telecommunications industry. *European Management Review*, 1(2), 157–174.
- [8]. Capron, L., & Mitchell, W. (2009). Selection capability: How capability gaps and internal social frictions affect internal and external strategic renewal. *Organization Science*, 20(2), 294-312.
- [9]. Covin, J. G., & Slevin, D. P. (1991). Conceptual model of entrepreneurship as firm behavior. *Entrepreneurship Theory and Practice*, 16(1), 7–25
- [10]. Daramola, A. Y. (2014). An investigation of air accidents in Nigeria using the human factors analysis and classification system (HFACS) framework. *Journal of Air Transport Management*, 35, 39-50.
- [11]. Daramola, A., & Fagbemi, T. (2019). Air Travel and Airline Operations in Nigeria: Market Potentials and Challenges. DOI: <http://dx.doi.org/10.5772/intechopen.80646>.
- [12]. Duran, P., Kammerlander, N., Van Essen, M., & Zellweger, T. (2016). Doing more with less: Innovation input and output in family firms. *Academy of Management Journal*, 59(4), 1224-1264.
- [13]. Egbu, C. O. (2004). Managing knowledge and intellectual capital for improved organizational innovations in the construction industry: An examination of critical success factors. *Engineering, Construction and Architectural Management*, 11(5), 301–315.
- [14]. Eisenhardt, K. M., & Martin, J. A. (2000). Dynamic capabilities: What are they? *Strategic Management Journal*, 21(10/11), 1105–1121
- [15]. Eke, E. (2016). How Nigeria lost \$450.4 million in Aviation sector in 2016-NCAA. Ripples Nigeria. Retrieved from <https://ripplesnigeria.com>
- [16]. Esteve-Perez, S., & Mafiez-Castillejo, J. A. (2008). The resource-based theory of the firm and firm survival. *Small Business Economics*, 30(3), 231-249.
- [17]. Faajir, A. & Zidan, Z. H. (2016). An analysis of the issues and challenges of transportation in Nigeria and Egypt. *The Business and Management Review*, 7(2), 18-29.
- [18]. Federici, D., Ferrante, F., & Vistocco, D. (2007). On the Sources of Entrepreneurial talent in Italy: Tacit vs. Codified Knowledge. SSRN Electronic Journal. doi:10.2139/ssrn.1002864
- [19]. Goksoy, A., Vayvay, O., & Ergeneli, N. (2013). Gaining competitive advantage through innovation strategies: An application in warehouse management processes. *American Journal of Business and Management*, 2(4), 304-321.
- [20]. Harleen, & Abrol, D. (2017). Evaluating the influence of dynamic capabilities on firms' performance: Role of innovative sustainability and adaptation to change. *Amity Journal of Management Research*, 2(2), 1-12.
- [21]. Helfat, C., Finkelstein, S., Mitchell, W., Peteraf, M. A., Singh, H., Teece, D. J., & Winter, S. (2007). *Dynamic capabilities: Understanding strategic change in organizations*. Blackwell, Oxford, UK.

- [22]. Jantunen, A., Puumalainen, K., Saarenketo, S., & Kyläheiko, K. (2005). Entrepreneurial orientation, dynamic capabilities and international performance. *Journal of International Entrepreneurship*, 3, 223–243
- [23]. Julienti, L., Bakar, A. & Ahmed, H. (2010). Assessing the relationship between firm resources and product innovation performance, *Business Process Management Journal*, 16 (3), 420-435.
- [24]. Karim, S., & Capron, L. (2016). Adding, redeploying, recombining and divesting resources and business units. *Strategic Management Journal*, 37(13), 54-62.
- [25]. Kark, R., & Carmeli, A. (2009). Alive and creating: The mediating role of vitality and aliveness in the relationship between psychological safety and creative work involvement. *Journal of Organizational Behavior*, 30, 785-804.
- [26]. Kindström, D., Kowalkowski, C., & Sandberg, E. (2013). Enabling service innovation: A dynamic capabilities approach. *Journal of Business Research*, 66(8), 1063- 1073.
- [27]. Liao, S., Fei, W., & Liu, C. (2008). Relationship between knowledge inertia, organizational learning and organization innovation. *Technovation*, 28, 183-195
- [28]. Loverde, L. (2005). Learning organizations and quadruple loops of feedback. *Ing Enero-Marzo*, 3(23), 34-47.
- [29]. Mavis, C.L. (2011). Making the enterprise work: A construes strategic search. *Management Journal*, 6(3), 82-91.
- [30]. Nonaka, I., & Toyama, R. (2005). The theory of the knowledge-creating firm: Subjectivity, objectivity and synthesis. *Industrial and Corporate Change*, 14(3), 419- 436.
- [31]. Ofoegbu, W., C. & Onuoha, B. C. (2018). Dynamic capabilities and competitive advantage of fast foods restaurants. *Journal of Management Science and Business Administration*, 4(3), 7-14.
- [32]. Palmer, M.O. (2011). Reawakening and strategic renewal motives. *Journal of Organizational Competitiveness*, 12(4), 56-71.
- [33]. Poi, G., & Adim, C.V. (2021). Environmental turbulence and strategic flexibility of small and medium enterprises in Port Harcourt, Nigeria. *International Journal of Small Business and Entrepreneurship Research*, 8 (4), 93-108.
- [34]. Rehman, K., & Saeed, Z. (2015). Impact of dynamic capabilities on firm performance: Moderating role of organizational competencies. *Sukkur IBA Journal of Management and Business*, 2(2), 18-40.
- [35]. Rono, L., Korir, M., & Komen, J. (2021). Moderating effect of organizational ambidexterity on the relationship between dynamic capabilities and performance of food and beverages companies in Kenya. *African Journal of Education, Science and Technology*, 6(2), 53-65.
- [36]. Sushil, M. (2005). Revitalizing the organization, *Global Journal of Flexible System Management*, 3&4, 3.
- [37]. Teece, D. J. (2007). Explicating dynamic capabilities: The nature and micro-foundations of (sustainable) enterprise performance. *Strategic Management Journal*, 28(13), 1319-1350.
- [38]. Yatim, H., Suharyono, H., Utami, N., Saifi, M., & Tahili, M. H. (2020). The local family business performance: Explaining the role of dynamic capabilities on local family business performance in Indonesia. *International Journal of Advanced Science and Technology*, 29 (2), 423-431.
- [39]. Zaidi, M. F. A., & Othman, S. N. (2012). Understanding the concept of dynamic capabilities by dismantling Teece, Pisano, and Shuen (1997)'s definition. *International Journal of Academic Research in Business and Social Sciences*, 2(8), 367.
- [40]. Zollo, M., & Winter, S. G. (1999). From organizational routines to dynamic capabilities. Working Paper of the Reginald H. Jones Center, the Wharton School University of Pennsylvania