

**ROLE OF ORGANIZATIONAL RESOURCES IN THE SUSTAINABILITY OF COMPETITIVE
ADVANTAGE IN THE OIL INDUSTRY IN KENYA**

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ABSTRACT

According to the resource-based view theory of the firm organizational resources are key contributors to an organization's sustainability of competitive advantage. The world's energy consumption will increase by 60% in the next twenty years, currently, 34% of this energy is provided by oil. Oil is therefore an important resource towards the growth of the world's economy. The oil sector is consequently a big contributor to global economic development by creating jobs, adding to revenues, stimulating consumer spending and hence indirectly influencing all the sectors of the economy. Whereas past empirical studies had shown varying degrees of the role of organizational resources in the sustainability of competitive advantage in various industries across the world, there were limited studies focused on the Oil Industry and in Kenya particularly, therefore, generalization of the results to the Oil Industry in Kenya was not appropriate hence the need for this study.

The study sought to establish the role played by specified organizational resources in the sustainability of competitive advantage in the Oil Industry in Kenya. The study was anchored on the resource-based view theory of the firm and further critically examined other existing theoretical and empirical literature on organizational resources and how organizations in general leveraged on their resources in sustaining competitive advantage. This formed the basis of studying how organizations in the Oil Industry in Kenya use their resources in sustaining their competitive advantage. The general objective of the study was to establish the role of organizational resources in the sustainability of competitive advantage in the Oil Industry in Kenya. The specific objectives of the study were to determine the role of Human Resources, Financial Resources, and to establish the Moderating Role of Government Policy on the role of these Organizational Resources on the Sustainability of Competitive Advantage in the Oil Industry in Kenya

The population constituted all the 63 licensed Oil Marketing Companies (OMCs) in Kenya. The appropriate study sample was identified through stratified random sampling applied in each of the purposefully created strata being the variations in heritage and size of the oil marketing companies ranging from Multinational Corporations (MNCs) to Transnational Corporations (TNCs), National Kenyan Companies (NKC)s and Independent Kenyan Companies (IKCs). The study employed both survey and correlational research design. Primary data was collected using a structured questionnaire while secondary data was collected

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ely using the Statistical Package for Social Scientists (SPSS). A multiple regression model with four variables was approximated to represent the relationship between the independent and dependent variables, while an error term in the model represented all other variables not considered in the study. Analysis of Variance (ANOVA) was carried out to test the significance of the overall model, while the t-test was used to determine the significance of the individual variables. The study established that human resources had a significant positive influence on sustainability of competitive advantage. Government policy played a negative moderating role between sustainability of competitive advantage and human resources. The study results showed that financial resources had a significant positive influence on sustainability of competitive advantage. Government policy had a negative moderating effect between sustainability of competitive advantage and financial resources. From the study findings, the study recommends that, firms that want to gain and sustain competitive advantage should invest in their human resources through training and retaining experienced and intelligent individual managers who can make good and insightful judgment as well as maintaining better relationships with colleagues, other firms and the customers. Also, firms should recruit, employ and strive to retain valuable, rare, unique, and properly organized employees as this was demonstrated by scholars to earn the firm a competitive advantage. Financial resources were also found to play a key role in sustainability of competitive advantage. Hence, the study recommends that, firms wishing to gain and sustain competitive advantage should strive to increase their profitability and working capital as this ensures funds are available when needed either to buy raw materials or to expand the firm.

Key Words: Organizational Resource, Sustainability, Competitive Advantage.

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