

**A STUDY ON IMPACT OF CORE  
COMPETENCIES ON COMPETITIVE  
ADVANTAGE ON FINANCIAL INSTITUTION  
IN TRINCOMALEE DISTRICT.**

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## Abstract

In highly competitiveness market core competence has emerged as a central concept for competitive strategy. Core competence is the knowledge set that distinguishes a firm and provides a competitive advantage over others.

The main purpose of this study is to investigate the relationship between core competence, competitive advantage and organizational performance. Core competence was measured through five dimensions. There for unique resources, knowledge system, capabilities, facilities and processes. Competitive advantage was also measured through cost leadership, differentiation and focus. The proposed model was tested in the context of Financial Institutions in Trincomalee District.

The survey was administered electronically to a total of 100 managers. Results indicate that it appears to be consistent and reliable scales. Finding indicates that, while core competence has a strong and positive impact on competitive advantage. Results confirm the varying importance of core competence dimensions on competitive advantage. Total of 100 questionnaires were administered to respondents chosen from 80 company; statistical tools were used to test the hypothesis such as person correlation, and simple regression. The findings indicated that there is a significant positive relationship between core competencies and competitive advantage from the sample point view. The study also showed that the core competencies had a significant impact on competitive advantage.

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