

# Managerial Conscientiousness and Organizational Innovation in Deposit Money Banks

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**Abstract:** This study examines the extent to which managerial conscientiousness can relate to organizational innovation in deposit money banks. The research design for this study is the cross-sectional survey. Hence, 25 copies of research instruments were purposely distributed to managerial staff of five banks each in Port Harcourt namely UBA, Access Bank, Zenith Bank, Union Bank, and First Bank of Nigeria making the total of respondents 125. Data analyses were carried out using both descriptive and univariate analyses while our hypotheses were tested using Spearman Rank Order Correlation and partial correlation. The findings reveal that managerial conscientiousness significantly relates to the innovation of an organization and technology can always act as a moderator. Hence the study recommends that managers should be promoted based on their performance and Nigerian banks need to align with their counterparts abroad to improve service methods.

**Keywords:** Banks, innovation, organization, conscientiousness, manage.

## I. INTRODUCTION

The concept of innovation can never be overstated as long as we live in a complex and dynamic environment, Martins, Lopes & Barbos (2012). No organization can stand the test of time if they are not proactive in designing processes and methodology that fit into modern acceptable standards within their industry. With the introduction of ICT in the last decades, so many organizations have gone into extinction while some have become invisible and insignificant within their industry. Authors like Wolfe (1994) are of the position that there is no single theory that has explained the entire concept of innovation as each theory that was developed was only developed to fit into the condition of those who designed it. However, Wolfe (1994) further explains that previous studies on innovation have basically four lines which include lines dealing with the various stages of the innovation process, the second line consists of those attributes which surround innovation, the third line deals with organizational context while the fourth line consists of the underlying theoretical assumption behind innovation. Also, recent studies by scholars from various countries have documented that innovation and the types of innovation bring the financial value to firms and this in turn enhances firm performance (Rajapathirana & Hui, 2018; Spescha & Woerter, 2018) When we talk about organizational innovation, we mean new ways of doing things with the organization.

Demanpour and Gopalakrishnan (2001) have defined organizational innovation as the creation of new behavior and

idea in the organization. It is a birth of improved methodology and works ideology which makes work easier, efficient, and very effective. This new method must be better than the previous. It must have a better definition and a higher probability of better output.

Even though most authors like John and Srivastava (1999), have suggested that conscientiousness usually has better outcomes from workers in the engineering department rather than from the banking sector, with the new developments, we have observed over the last decades that conscientiousness in managers would make them give more attention to their job and subordinates, make them only want the best outcome and raise their precision index. Conscientious managers are usually thorough when it comes to task performance, they are very detailed in their work as well as very efficient (Anderson Flynn & Spataro). Conscientiousness makes individuals focus their mind on the goal rather than the obstacles, when they fix their mind on something, they are always on their heel until such task is achieved. Abdullah, Rozeyta & Panatik (2016) are of the view that conscientiousness explains the extent to which a manager is reliable. It is often reflected in how dependable he is, how organized he is as well as how he can organize employees. Such managers with high conscientiousness are very attentive to employees and the situation around them, they are often logical and risk-averse because they are always concerned about the outcome of every decision they make. The banking sector today is faced with so many competitions that are a result of forces from the macroeconomic sectors of the economy. The use of ICT has penetrated every aspect of banking ranging from top managers to the least employer which also narrows through every customer of bank, with such development in ICT, there is a need for managers to activate their conscientiousness to meet up with challenges at the lowest possible risk. Managers must ensure they are diligent in pursuing the goals of their organization in all of their dealings with employees. Such managers are often admired by employees because he would always want to bring out the best in them. He makes good use of the talents around him and he manages them efficiently and effectively. They are always proud of their achievements and they use it as a benchmark for their future optimism. Mkoji & Sikalieh (2012) believes that of all the big five personality dimensions, extroversion and conscientiousness are the dimensions that are highly associated with managers and leaders in the organization and that is why we have chosen the two out of the big five dimensions to guide the study.

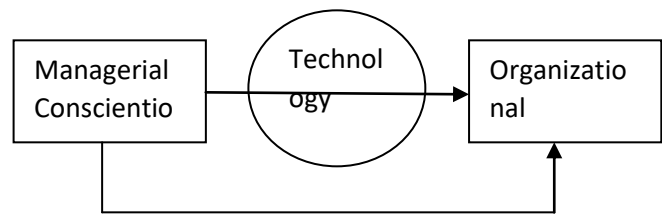
Every sector of the economy today cannot isolate itself from ICT. Information and Communication Technology is relevant in the educational sector, automobile industry, textile, telecom, aviation as well as banking (Agboola, 2001). Although there are many others such as in the oil and gas industry, construction, manufacturing industries, etc. These have shown that the management of today's enterprises is highly dependent on good knowledge of ICT. Managers who possess a high level of ICT knowledge perform better than those managers who do not have good knowledge on the use of ICT and this gives them psychological trouble each time they interact with employees, especially those who have good knowledge on the use of ICT. Today, it is the financial institutions such as banks that have the highest stake in the technology industry. It is because of these technologies which have triggered innovation that banks can comfortably interact with customers all around the world. Banks in Nigeria can now partner with banks in other countries to ensure that customer satisfaction is guaranteed as a result of technology innovation. Today, managers in the banking sector use software like DSS, EIS in formulating strategies for their banks, banks today provide more services to their customers than they expect and this has enabled them to capture more market than they have imagined, Dauda and Akingbade (2011). Therefore, in achieving organizational innovation, managers of banks in Nigeria can never do without the necessary ICT infrastructure to help them plan, manage as well as get feedback from customers.

Today, customers need income and would always continue to be demanding because they want to be attended to both online and offline (Anderson, Flynn & Spataro, 2008). Leonard & Waldman (2007) further states that ICT has influenced banking in three major ways which include economy of scale, creation of multiple delivery channels as well as a competitive advantage. Furthermore, Enyia (2015) explains that Magnetic Ink Character Reader (MICR) which is being used today in Nigerian banks has reduced the level of manual works as MICR can accurately read a cheque and immediately identify the account holder. Several moderating factors influence managerial conscientiousness towards organizational innovation but this study has considered technology because virtually every sector of the economy depends on it and banks seem to be playing a leading role.

#### Research Hypotheses

- $H_{01}$  Managerial conscientiousness does not relate with organizational innovation
- $H_{02}$  Technology does not moderate the relationship between managerial conscientiousness and organizational innovation

#### Conceptual Framework



## II. THEORETICAL FRAMEWORK

The theoretical framework for this work is anchored on Herzberg's two-factor theory. In the 1950s, Fredrick Herzberg conducted research where over 203 managers, engineers, and accountants were interviewed in the United States because as at that time, these categories of persons were having increasing relevance to the global business. Their relevance continued to increase and this led Herzberg to his research, Enyia (2015). Herzberg tried to find out the real motivational factors which were inherent in the workplace and this led to his findings of hygiene factors as well as the motivational factors. According to Herzberg, hygienic factors cover salaries, allowance, wages, working conditions, etc. Hygienic factors may not on their own provide the necessary satisfaction needed by employees, but their absence can bring about dissatisfaction which would lead to a low innovative index. Motivational factors on the other hand include factors like recognition, career growth, achievement, etc which are more intrinsic in nature (McCrae & Costa, 1999). The current study supports filling the gap in organizational behavior research with this theory as it explains in practical terms, those elements required for employees to be motivated. Earlier studies have found significant and positive results, in terms of employees' performance and innovation such as Parker et al., (2017), and Matei & Abrudan (2016) Bear, et al (2017). The research of Hur (2017) considered the influence of public sector managers' relation with their employees by applying Herzberg's theory and results determined the positive response among them. Matei and Abrudan (2016) also applied applications of Herzberg's two-factor theory to deliberate the relationship between the motivations of employees with the culture of the organization. The results of Rahman et al (2017) signified positive results that motivators are driven from intrinsic motivation, which gives a positive response to employee performance whereas hygiene factors are driven from extrinsic elements, which eliminate the areas of dissatisfaction. A combination of hygiene and motivational factors would lead to improved organizational and individual performance (Rahman et al., 2017). When these conditions are present in banks, the level of innovation would go very high because employees would feel secure in bringing their own ideas without fear of intellectual thought organization, it would also improve the communication system from the lower employees to managers because they have such positive psychological contract with their banks. Sometimes, the best innovative idea may come from a very low employee within the bank and this idea could bring billions of naira to the bank. Therefore, a proper

understanding of the Herzberg two factor theory would be of necessity at this time when the growing competition in banks has increased to a reasonable height.

### III. METHODOLOGY

The research design for this study is the cross sectional survey. Hence, 25 copies of research instruments were purposely distributed to managerial staff of five banks each in Port Harcourt namely UBA, Access bank, Zenith bank, Union bank and First bank of Nigeria making the total of respondents 125. Data analyses were carried out using both descriptive and univariate analyses while our hypotheses were tested using Spearman Rank Order Correlation and partial correlation.

### IV. DATA ANALYSES

Table 1. Frequency of Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid UBA	25	20.0	20.0	20.0
Access bank	25	20.0	20.0	40.0
Zenith bank	25	20.0	20.0	60.0
Union bank	25	20.0	20.0	80.0
First bank	25	20.0	20.0	100.0
Total	125	100.0	100.0	

Table one reveals the frequency distribution of respondents based on their organizations. It shows that 25 copies of research instruments were distribute to UBA, Access bank, Zenith bank, Union bank and First bank. Each contributing 20% number of total respondent

Table 2. Descriptive Statistics

	Descriptive Statistics							
	N	Minimum	Maximum	Mean	Std. Deviation	Variance	Skewness	Std. Error
MC_1	125	1	4	2.34	1.009	1.018	-.077	.217
MC_2	125	1	4	2.63	.894	.799	-.165	.217
MC_3	125	2	4	2.41	.555	.308	-.946	.217
MC_4	125	1	4	2.24	1.035	1.071	-.389	.217
MC_5	125	1	4	2.14	1.034	1.070	-.478	.217
OI_1	125	1	4	3.19	1.006	1.011	-.589	.217
OI_2	125	1	4	2.95	.620	.385	-.176	.217
OI_3	125	1	4	2.51	.964	.929	-.035	.217
OI_4	125	1	4	2.46	.819	.670	-.779	.217
OI_5	125	1	4	2.07	.720	.519	-.549	.217
Tech_1	125	2	4	3.10	.455	.207	-.423	.217
Tech_2	125	1	4	2.83	.520	.270	-.908	.217
Tech_3	125	1	4	2.88	1.075	1.155	-.122	.217
Tech_4	125	1	4	3.09	.773	.597	-.367	.217
Tech_5	125	1	4	2.88	.938	.881	-.387	.217
Valid N (listwise)	125							

Table 2 reveals that five items on a four point likert scale were used to design the research instrument. It reveals a minimum entry of 1 which represents strongly disagree and a maximum entry of 4 which represents strongly agree. Each item also has mean score greater than 2.0 and this shows

strength in each of the items. The skewness for each item had negative values which indicated the use of a non-parametric tool like Spearman Rho.

Table 3. Test of Hypothesis One

		Correlations		
			Mgt_Conscie ntiousness	Org_Innovatio n
Spearman's rho	Mgt_Conscientiousness	Correlation Coefficient	1.000	.351**
		Sig. (2-tailed)	.	.000
		N	125	125
Org_Innovation		Correlation Coefficient	.351**	1.000
		Sig. (2-tailed)	.000	.
		N	125	125

\*\* Correlation is significant at the 0.01 level (2-tailed).

Our first test of hypothesis reveals that managerial conscientiousness has a significant relationship with organizational innovation with a correlation coefficient of 0.351 and a p-value of 0.000 which is less than alpha of 0.05. we therefore reject the stated null hypothesis and accept the alternate.

Table 4. Test of Hypothesis Two

		Correlations		
Control Variables			Mgt_Conscie ntiousness	Org_Innovatio n
Technology	Mgt_Conscientiousness	Correlation	1.000	-.256
		Significance (2-tailed)	.	.004
		df	0	122
Org_Innovation		Correlation	-.256	1.000
		Significance (2-tailed)	.004	.
		df	122	0

For our second hypothesis, were realized that when technology was introduced as a moderating variable, the correlation coefficient changes to a negative value and the p-value also changes. This indicates that technology as a moderator affects the relationship between managerial conscientiousness and organizational innovation

### V. CONCLUSION

This study has further affirmed the works of previously cited scholars related to managerial conscientiousness and organizational innovation this is revealed in the correlation coefficient and p-value in our test of hypothesis. Also this study has further strengthened the assertion that the technology used within a work environment has a great moderating effect on the innovation that would come to such organization as revealed in our test of hypothesis two. This indicates that for institutions such as deposit money banks to stand the test of time, the conscientiousness of its managers should be taken into account.

## VI. RECOMMENDATIONS

- i. Banks should ensure that managers grow from the ranks through their performance and not just by processes without merit.
- ii. Banks should utilize their R&D department and ensure that they are not taken unaware when it comes to new technology
- iii. Nigerian banks should align and co-operate with foreign banks and financial institutions in improving their services to customers

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