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Managerial Personality and Process Innovation in Deposit Money Banks

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ABSTRACT: This study examines the extent to which the personality of managers can bring about the much needed process innovation in deposit money banks. 200 copies of questionnaire were distributed to four banks in Rivers state namely; Access bank, Polaris bank, Eco bank and UBA. Out of which 190 copies were retrieved. Crombach alpha was used in testing for the reliability of each constructs while face and content validity were used to test the validity of the research instrument. Simple regression was used in testing the null hypothesis for this study. The findings reveals a significant effect of managerial personality on process innovation with significant coefficient and p-value. The study further recommends routine vacations and trainings for managerial staff of deposit money banks.

Keywords: Banks, innovation, managers, personality, process

I. INTRODUCTION

The concept of personality was earlier put together by psychologists like Warren and Carmichael (1930), Allport (1937), Bowers (1973), etc. Warren and Carmichael defined the concept of personality to mean the way an individual/employee develop his entire psychological system and this would have to do with the way such individual perceives or interact with his environment. According to Allport (1937), personality can be used to describe a dynamic organization which is find within an individual of those psychological systems which determines how he adjusts uniquely to the environment which he has found himself. Personality explain an individual in totality, because it is based on this personality that such an individual can influence situations around him. It is also this also out of this personality that managers can influence the behavior of employees in order to be innovative. When the personality of managers are not in line with the current trend of innovation in the banking industry, such action or behavior which would be exhibited would not drive innovation nor organizational success. No two managers can have the same personality because there is always differentiation in individual needs, wants, thinking, feeling, perception, preferences, etc. Authors like Goldberg (1981), Conley (1985), McCrae and Costa (1987), Worthman et al (2012), etc have agreed on a five personality model which consist of what is today known as the "big five personality model" which consists of five (5) universally accepted personality traits which include extraversion, agreeableness, conscientiousness, emotional stability and neuroticism. However, for purpose of this study, we would consider only two of these traits, as our dimensions to explain the much needed innovative outcome in the organization. These two traits were selected because they best fit into the concept of innovation and they are extroversion and conscientiousness.

According to Leonard & Waldman (2007), process innovation has to do with creating new ways of carrying out organizational activities or modifying existing process. Process innovation could also mean the adoption of new machines, softwares Bi et al (2006). For the banking sector, it could also mean a restructure in organogram because certain offices must either be created or eliminated in order to get a true picture of what the organizational leaders have in mind. Today, banks in Nigeria have tried to reduce bureaucracy when it comes to transactions as well as interaction with customers. Banks now communicate with employees through emails, SMS, TV adverts and online pages, customers can easily check their account balance and call customer service for assistance at any point in time unlike the previous face-to-face services. Process innovation often comes when the organization has realized the need to get a new set of result due to obsolesce in existing methods of carrying out organizational activities. It often comes in form of change process and gradually it becomes part of organizational methodology. Most banks in Nigeria were forced into adopting e-banking and other banking channels such as ATM, mobile application, etc because the macro economy needed such change and banks could not avoid it. This led to the

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creation of various departments such as ICT department which is often headed by the ICT manager. Several softwares for banking have also been adopted for effective and efficient banking experience and these are part of what process innovation stands for. Today, banks in Nigeria can compete favourably with foreign counterparts in terms of financial service delivery. Most Nigerian banks have become top brands in the international market just because they adopted a process that could enable them act big. Authors like Debandt and Davis (2000) are of the opinion that the introduction of the ICT into the innovation process in Nigerian banking industry has made it possible for banks to act with a higher level of rationalization in their dealings and it has also increased their cost management capabilities in the face of growing competition in the banking industry. The banking sector in 2008 contributed more than 6.4% to the Nigerian Gross Domestic Product (GDP) against a benchmark of 10% CBN (2008). Although, 10% was not achieved that year, it was a very remarkable progress in Nigerian banking sector did to the introduction of ATM and other e-banking channels by the then governor of the central bank.

Conceptual Framework

Hypothesis
$H0_1$ Managerial personality does not affect process innovation in deposit money banks

II. THEORETICAL FRAMEWORK

This work would rely so much on Expectancy Theory which was proposed by Vroom (1964). The expectancy theory simply explains that individual employees put in their best in terms of skills and general effort based on possible perceived option which are available. Warren, & Carmichael (1930) further explains Vroom's theory asserting that they were founded upon two leading variables which are valence and expectancy. Enyia (2015) describes valence as the value that the individual employee place on work related outcome while they further explained expectancy to be the probability that such effort would lead to an act that is desirable. In other words, employees want to maximize benefit for themselves while maximizing benefits for the organization because a happy employee is a happy organization. Employees would usually weigh the outcomes of the action before carrying out those actions, if the perceived outcome does not meet their expectation, they would lose motivation towards performing such actions. When employees within the banking industry come with their skills, knowledge and expertise, especially as it relates to modern ICT equipment, trouble shooting and general usage, they first try to understand the kind of climate which surrounds the bank they work and if they see the personality of the managers in such banks are more of a threat than a motivation, they hide most of their knowledge because they do not believe in the value of its outcome. Expectancy theory is of the view that when an employee believes that the outcome of his action would not just be favorable to the organization alone but to himself and his household, he builds a strong motivating force in achieving such goals. Managers needs to make employees believe they have their interest at heart and this must be reflected in the kind of personality they present before them. Feist & Barron (2003) also considers the fact that employees would always want to choose a work behaviour which they believe would produce outcomes that they place high value on. According to Enyia (2015), the main essence of the emergence of expectancy theory is to ensure that employees are adequately empowered through the attachment of higher values on the reward they receive for doing a job. This would ordinarily increase their motivation, dedication and commitment which would also create positive citizenship behavior.

III. METHODOLOGY

In carrying out this research empirically, 200 copies of questionnaire were distributed to four banks in Rivers state namely; Access bank, Polaris bank, Eco bank and UBA. Out of which 190 copies were retrieved. Crombach alpha was used in testing for the reliability of each constructs while face and content validity were used to test the validity of the research instrument. Simple regression was used in testing the null hypothesis for this study.

IV. DATA ANALYSES

Table 1. Reliability

Construct	Crombach alpha	Decision
Managerial Personality	0.735	Accept
Process Innovation	0.814	Accept

Our test for reliability shows a crombach alpha greater than 0.7 for both constructs. We therefore accept the research instrument as being reliable. This is to say that there would be consistency in the instrument if the research is re-conducted.

Table 2. Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.214[a]	.046	.041	2.619

a. Predictors: (Constant), Managerial_personality

In table 1, out model summary reveals that there is a regression coefficient of 0.214 which is quite positive, a coefficient of determinant (R square) of 0.046 which is also positive and indicates that only 4.6% of the outcome of our dependent variable (process innovation) is affected by our independent variable (managerial personality). This indicates that our model is fit for further analyses

Table 3. Analyses of Variance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	61.786	1	61.786	9.010	.003[b]
	Residual	1289.166	188	6.857		
	Total	1350.953	189			

a. Dependent Variable: Process_Innovation

b. Predictors: (Constant), Managerial_personality

Our analyses of variance reveals an f value of 9.010 which is quite positive, a difference between 188 and 189 which is not too different from each other and a p-value of 0.003 which is less than alpha of 0.05. this indicate that the variance between both variables are significant.

Table 4. Coefficient table

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12.899	1.045		12.341	.000
	Managerial_personality	.214	.071	.214	3.002	.003

a. Dependent Variable: Process_Innovation

$H0_1$ Managerial personality does not affect process innovation in deposit money banks

Our test of hypothesis reveals that a significant cause effect relationship exist between managerial personality and process innovation with a correlation coefficient of 0.214 and a p-value of 0.003 which is also less than alpha of 0.05. for this

reason, we reject the stated null hypothesis and accept the alternate.

V. CONCLUSION

This paper has empirically examined the extent to which process innovation can be affected by managerial personality in deposit money banks. The findings further reveal that in as much as managers personality is taken into consideration, the processes involved in carrying out roles and responsibilities within the organization can be improved with new methodologies that meet standards of present industry. A coefficient of 0.214 may be considered as quite small, but its significance was less than 0.05 which proves the effect if our independent variable.

VI. RECOMMENDATIONS

Based on our findings and conclusion, the following recommendations are made;

i. Banks should always remember that its image is reflected in the quality of managers handling its affairs
ii. Management trainings on personal development should be encouraged for managerial staff.
iii. Managers should be provided vacations to other countries of the world annually so as to broaden their horizon and perform better

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