RELATIONSHIP BETWEEN LEADERSHIP STYLES AND INNOVATIVENESS IN DEPOSIT MONEY BANKS IN RIVERS STATE, NIGERIA

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Abstract

This article investigates the relationship between leadership and innovativeness in Deposit Money Bank in Rivers State, Nigeria. The apriori expectation is that effective leadership style and innovativeness would have significant positive impact on the firms being investigated. Both primary and secondary sources of data collection were employed in the study.. The study adopted the cross-sectional form of the quasi-experimental research design. A population of 1521 was targeted but a sample size of 226 was obtained, using the Krejcie and Morgan sample size determination table. The instrument was subjected to construct and content validity, in furtherance to a pilot study carried out. The reliability of the instrument was checked using the Cronbach Alpha test of the SPSS. Regression analysis was used to test the hypotheses. The study concludes that there is a significant positive relationship between LEADERSHIP STYLES AND INNOVATIVENESS IN DEPOSIT MONEY BANKS IN RIVERS STATE, NIGERIA. The article therefore recommend that Leaders should strive to develop employees and learn to resolve issues and complaints raised by an unsatisfied person in a timely and efficient manner (Oghazi, 2014) to maintain good employee relationship and satisfaction.

Introduction

Organizations are constantly locked in a battle to achieve market leadership, success and organizational effectiveness which is an unwritten purpose or goal of ever organization. The degree to which organizations achieve effectiveness will to a very large extent depend on the effectiveness of members of the organization (Collier, 2005). Where employee inefficiency abound, organizational effectiveness will likely be a goal never achieved, how effective organizations become will boil down to how innovative, creative and proactive employees and other members of the organization can be.

Concept of corporate governance corporate governance has become a thought-provoking area for practical research among academics and practitioners in recent times. A plethora of definition has been provided to facilitate understanding and meaning of corporate governance. Magdi and Nedareh (2002) defined corporate governance as everything about day–to-day operation of an organization in a way that guarantees that its owners or stockholders receive a fair return on their investment, while the expectations of other stakeholders are also met. Similarly, Collier (2005) defined corporate governance as the way companies are managed, directed and controlled. With regards to the above definition, we can remark that corporate governance is the building block of organizations as well as the inspired of good employee behaviour. This is because an organization with effective corporate governance is one that safeguards the welfare of employees.

Though the term corporate governance entail functions on how best to govern a corporation in the interest of its stakeholders, the concept has different perspectives in different countries. For example, in Anglo-Saxon countries such as the United States (US) and United Kingdom (UK), corporate governance is focus on interests of shareholders. In other countries such as Japan, Germany and France, corporate governance focuses on wider perspective of stakeholders, including employees, customers as well as shareholders.

With increasing global competition, corporate governance has become essential for enhancing ethical, honest and transparent ways to pursue corporate goals and survival in global market competition. Good governance is an essential element for achieving a clean, efficient, accountable and responsible work place. Socio-political changes in the last two decades have indicated the necessity to promote good governance. For example, Asian countries have engaged in financial liberalization and capital market development in the last few decades and became examples for other developing countries to emulate. However, the 1997/1998 financial crisis exposed their weaknesses to enforce effective corporate governance practices (for example, poor transparency and disclosure, a weak regulatory framework, under-developed market infrastructures, cronyism, nepotism and moral hazard of politicians making economic decisions) during the good economic period.

The agency problem allows manager to extract more private benefits and the firm ultimately performs worse. Firms therefore, needed for the improved corporate governance in order to survive for long term growth and survival. A good corporate governance can occur in the organization by putting the balance between the ownership and control and also among the interests of stakeholders of the firm. This approach might be helpful in developing the positive attitude among the manager and shareholders and reduces the agency problems in the firms. This paper presents the broad view of corporate governance from various perspectives and tries to link it with the agency problems where required. It gives an overview that how corporate governance handles the deviation between the mangers and shareholders' interests. The mechanism of effective corporate governance will help to determine the difference between ownership and control by giving the view of topic from different angles and tries to solve the agency problems in the organizations.

Policy makers have learned that systematic failure of investor protection mechanisms, combined with weak capital market regulation in systems that rely heavily on 'crony capitalism' can lead to failures of confidence that spread from individual firms to entire nations. Insufficient financial disclosure and capital market regulation, lack of minority shareholder protection, and failure of board and controlling shareholder accountability all supported lending and investing practices based on relationships rather than on a prudent analysis of risk and reward (Millstein, 1998). The lessons learned from the crisis have lead many Asian countries to put in place structured corporate governance requirements to help realign the confidence in their corporate sector.

In developed economies, the perspective of corporate governance systems extends beyond these traditional aspects and includes good corporate citizenship. This incorporates protection of the environment, a balanced consideration of the interests of all stakeholders, and a commitment to innovation that will lead to more effective use of human and natural resources. Companies that display superior standards of corporate governance through the integration of social, environmental and economic principles into all decision support systems are more likely to increase their long-term shareholder value through better management of risks and opportunities.

Statement of the Problems

The Nigerian banking industry has had its own fair share of corporate failures largely due to weak or inefficient regulation and/or regulatory oversight. Several efforts were made to strengthen the regulatory environments in the banking industry and the economy at large. "The promulgation of the 1952 Banking Ordinance, CBN Act of 1958, Banking Decree (Act) of 1969, Bank and Other Financial Institutions Act (BOFIA) 1991, BOFIA 2004, Nigerian Deposit Insurance Corporation (NDIC) Act 2006, CBN Act 2007 among others. This shows that the regulatory environment in the Nigerian banking industry is somewhat complex, as several legislations and laws regulate the activities of banks. Another challenge to regulatory compliance is the presence of several regulatory bodies operating independently or sometimes with overlapping functions" Ismaila and Oyindamola (2018:22).

Organizational effectiveness is highly tied to factors like employee effectiveness, manager's especially Human Resource Managers are constantly faced with the problem of how to recruit effective employees and motivate them towards achieving organizational goals and objectives. Lack of proper training and poor training and educational facilities in third world countries like Nigeria has affected the level of effective and trained personnel produced in the region. Leadership styles and level of control exhibited by board members and senior management officials in most banks have led to employee bias and induced low commitment.

Conceptual Framework

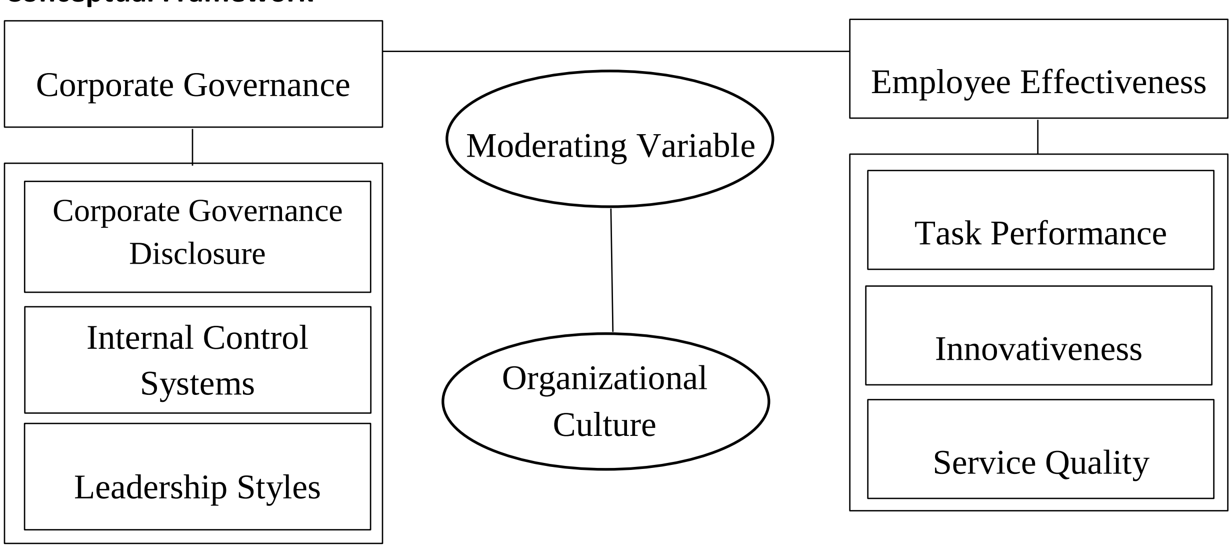

Figure 1.1: Conceptual framework of corporate governance and employee effectiveness of banks in Rivers state.

Source: the dimensions of our independent variable corporate governance given as (corporate governance disclosure, internal control systems and leadership style of managers) was adopted from the work of Magdi and Nedareh (2002), while the measures of the dependent variable employee effectiveness given as (task performance, innovativeness and quality of service) was adopted from the work of (Buthayna and Bader, & Ali, 2016).

Aim and Objectives

The main aim of this work is to establish the relationship between corporate governance and employee effectiveness among banks in Rivers state. The study has the following specific aim. To:

i. Ascertain the relationship between internal control systems and innovativeness.

Research Questions

i. What is the relationship between leadership styles and innovativeness?

Research Hypotheses

The following null hypotheses was developed for the study

H_{o1}. There is no significant relationship between leadership styles and innovativeness.

Significance of the Study

This work will be of great significance to managers in the banking industry as it educates and equips them with the benefits of compliance with regulations of financial sector while also training them on how to handle corporate governance issues relating to regulation of activities. It will also be of great significance to regulatory agencies in the financial sector, mainly the central bank as it highlights approaches that could be adopted by the regulatory agency to obtain hitch free compliance from deposit money banks in their operations especially with regards to corporate governance and benefit board members of deposit money banks as it highlights their roles in ensuring their banks are complaining with regulations of the industry to avoid penalties and loss of goodwill as well as financial resources.

Definitions of Terms

Leadership Styles:

This is a leader's method of providing direction, implementing plans, and motivating people. As seen by the employees, it includes the total pattern of explicit and implicit action performed by their leader.

Innovativeness:

A firm's propensity and capability to rapidly incorporate change in business practices through creation and/or adoption of new ideas that add value in the form of increased competitiveness and sustainability

Literature Review

Control Theory

This article shall be anchored on Control theory. Control theory, invented by Ouchi (2013) and Eisenhardt (1985) uses the notion of modes of control to describe all attempts to ensure that individuals in organizations act in a way that is consistent with organizational goals and objectives (Thomsett, 2012) The concept of control is based on the premise that the controller and the controlee have different interests. These different interests will be overcome by the controller's modes of control (Nicholas, 2011). Modes of control may distinguish between formal and informal mechanisms. Formal modes of control are defined as Behavior control and Outcome control. Behavior control consists of articulated roles and procedures and rewards based upon those rules. Outcome control is mechanisms for assigning rewards based on articulated goals and outcomes. The informal modes of control are carried out by the control modes labeled as clan and self. Clan are the mechanisms of a group sharing common values, beliefs, problems, and these mechanisms work through activities as hiring & training of contractors, socialization etc. The control mode of the self is about individually defined goals and can be carried through the mechanisms of individual empowerment, self-management, self-set goals, etc. (Luthaus, 2012).

The theory generally calls for a formalized costs structure, a clear division of labor, and delegation of power and authority to administrators relevant to their areas of responsibilities (Gersup, 2010). Developed at same time as scientific management, Scott notes that administrative theory emphasized management functions and attempted to generate broad administrative principles that would serve as guidelines for the rationalization of organizational activities (Talukhaba, 2011). Administrative theorists looked at productivity improvements from the "top down". The control theory tends to be based on the concept that the organization is system which has to adapt to changes in its environment as opposed to the bureaucratic system which is seen to be rigid. The systems approach views organization as a system composed of interconnected and thus mutually dependent sub-systems (Pinto & Covin, 2013).

It looks at organization as a system with separate parts, where the integration depends on shared norms, values and beliefs. According to Oguulana & Bach, (2012) and Yu & Chan (2010), organizations as systems consist of three basic elements. Namely: components, linking processes and goals. The approach recognizes the dynamic nature of organizational environment. In the context construction project management the project manager and the project teams have different interests. In order for the project manager to control cost and schedules during the project execution phase, he has to come up with different modes that ensure that teams are compliant. The control mechanisms and rules must also be aligned with the overall construction goals as well as the goals of individual team.

Leadership Styles

The concept of leadership

The organizational structure is comprised of different departments in which the employees work as the basic units with different capacities. In this regard, the basic responsibility of the leadership is to raise the moral values, working capacity and ultimately the output graph of the organization (Avolio & Bass, 2004). The employees, in the presence of a leadership may not feel isolated from the central authority which keeps them intact and resultantly they work with integrity and utmost commitment. At macroscopic level, leadership is both a research area and a practical skill (King, Johnson & Vugt, 2009). On the part of the researchers, the ongoing research highlights different leadership styles in the different circumstances in diverse spheres of life. On the part of individual level, it encompasses the abilities, leading capacity, skills and experience of a person or group of persons (Tahir, Abdullah, Ali & Daud, 2014). While exercising the authority, the leadership seeks the participation of the employees with all their dedication and sense of ownership through the power of mobilization, motivation and communication in the organization (Chandra & Priyono, 2016).

In contemporary situation, institutions either public or private needs the leadership either transactional or transformational who through their competencies (innovativeness and creativity) achieve the task of restoration in these institutions (Avolio & Bass, 2004). The competent leadership can realize the impediments together with the main problems behind. The same phenomenon can be pushed forward to the ultimate objectives with the employees functioning on the front (Avolio, Walumbwa & Weber, 2009). In the same line, several issues like authority and performance of leadership, communication skills and decision-making, intellectual capabilities and personal characteristics are the core kinematics behind. The leadership and their workforce's underneath are bridged by the level of performance (Bass, Avolio, Jung & Berson, 2012). In the same line, the success of these institutions only rests upon the performance of the employees and the leadership. On the part of the employees their undaunted efforts, diligence and efficiency leading to the desired objectives are the replica of various leadership styles (Iqbal, Anwar & Haider, 2015). Among these styles, the most prominent are the transformational and transactional leadership.

Leadership style in an organization is one of the factors that play significant role in enhancing or retarding the interest and commitment of the individuals in the organization (Obiwuru, Okwu & Nwankere 2011). The leadership style adopted by organisation enhances the achievement of corporate goals. Empirical research on leadership style has indicated that the effectiveness of an employee to ensure the survival and growth of an organisation cannot be doubted in any way. Ojokuku, Odetayo and Sajuyigbe (2012) observed that leadership style is one of the determinants of the success and failure of any proactive organisation. Lawal, Kio and Adebayo (2000) agreed that good leadership is a condition for effective accomplishment of these tasks. Effective leadership style of management is a pre-requisite to organizational accomplishment (Uchenwamgbe, 2013).

Business management attributes their successes to leadership efficiency, that is, the leadership style of administrative supervisors has a considerable effect on employee performance (Sun, 2002). McGrath and MacMillan (2000) reported that there is significant relationship between leadership styles and organizational performance. Relationship between leadership style and employee performance has been discussed often. Most research showed that leadership style has a significant relation with employee performance, and different leadership styles may have a positive correlation or negative correlation with the employee performance, depending on the variables used by researchers (Ojokuku, Odetayo, & Sajuyigbe 2012).

The nature of leadership style will determine the extent to which employee can performance effectively in the organisation. The links between leadership style and employee performance is important because it will expand our understanding on how different variables that affect performance. Participative style of leadership has a greater positive effect on employee performance in which situation employee feel power and confidence in doing their job and in making different decisions. In addition, in autocratic style leaders only have the authority to take decisions in which employees' feels inferior in doing jobs and decisions. In democratic style employee have to some extent discretionary power to do work so their performance is better than in autocratic style.

Leadership Styles

For a leader to be effective among his followers is to consciously explore one's personal mastery of different approaches and adapt to various approaches based on the situation for effectiveness as a leader. Task and relationship behavior is central to the idea of the leadership style of individual leaders and their effectiveness depends on how they use their styles to the situation Bruno and leo. (2013). Leadership style is a key determinant towards the success or failure of the organization and is the behavioral approach of the leader to provide motivation and direction to his people Ojokuku, Odetayo and Sajuyigbe (2012). After the emergence of behavioral theory, Psychologists Lewin, Lippitt and White (1939) & Ikram, Su, Fiaz and Saqib (2017) identified three major leadership styles, namely, democratic, autocratic and laissez-faire styles as leadership style is considered being the most important determinant to increase employee motivation.

In Organizations, leadership styles can affect the employees positively (reward) and negatively (punishment) and also has its own consequences on the employee behavior with respect to attitude, motivation, which in turn impacts the organizational performance. Autocratic leaders make a decision without involving their followers and laissez-faire leaders allow followers to make a decision by not being part of the process and democratic leaders involve their followers before making his decision (Ryan & Tipu, 2013; Khan, et, al 2016). It is also one of the factors that intensify the commitment of the individuals towards the organization (Obiwuru et al., 2011 & Ojokuku et.al 2012).

Barchiesi et al (2007) measured the leadership effectiveness and leadership role and its influence on performance, leadership behaviors, attitudes. They found that high leadership indexes are not related to past performance records but associated both to higher potentiality of enhanced performance and to higher reputation of organizations, pointing in the direction of a meaningful influence of behavioral complexity and dynamics on the leadership perceived level. A mechanism of leadership styles affecting team innovation in the private research centers investigated the relationship between different leadership styles and team innovation with the mediating effects of knowledge sharing and team communication Duanxu (2009).

Exploring the Relationship between Organizational Culture and Style of Leadership we used the factors like Organizational Culture, Charismatic Leadership, Transformational Leadership and Transactional Leadership. Voon et al (2011) found out the influence of leadership styles on employees‟ job satisfaction in public sector organizations in Malaysia. They used the factors like salaries, job autonomy, job security, workplace flexibility. Out of these factors, they found that transformational leadership style has a stronger relationship with job satisfaction.

Chung – Hsiung Fang et al (2009) identified that leadership style can affect organizational commitment and work satisfaction positively and work satisfaction intern can affect organizational commitment and work performance positively. Leadership is largely culturally orientated, embracing traditional beliefs, norms and values and a preoccupation Murray (2007). According to Goh Yuan et al (2005) study, leadership style is significantly influenced by the leader's immediate and extended family, clan and tribe. This study finds the linkages between organizational leadership and business ethics, thereby making a contribution toward increasing the quality of organizational life which may have a positive influence on both members of the organization and the wider community. Lu Ye et al27 study explained employees‟ perceptions about transactional or transformational leadership style of executive, both have highly positive correlation with perceptions about executives' encouragement factors of its innovation climate.

Transactional leadership

Transactional leadership is focused on staff's basic and external demand, the relationship between leaders and subordinates is based on the contract. They tend to attain organizational goal by pacific job roles and mission design, their basic purpose is to maintain a stable organization. Podsakoff et al (1990) said that leadership behavior can affect trust and satisfaction of employees to organization and organizational citizenship behavior further enhances the relationship between leadership style and organizational commitment directly.

Leadership style is the relatively consistent pattern of behavior that characterizes a leader DuBrin (2001). Today‟s organizations need effective leaders who understand the complexities of the rapidly changing global environment. Different leadership styles may affect organizational electiveness or performance Nahavandi (2002). According to the Oladipo et al (2013), the success or failure of proper organizations, nations and other social units has been largely credited to the nature of their leadership style. Jeremy et al (2012) explained in manufacturing company, leadership is really a process for impacting on others commitment towards recognizing their full potential in achieving goals, vision with passion and integrity. The study also revealed that the associations between leader and worker give additional factor employees commitment which is considerably affected through the leadership style adopted by the leader. However from the available literature we can summarize the different dimensions of leadership styles and their effect on employee satisfaction, team work, organizational change and employee performance.

Offering a definition of leadership appears to challenge even the most scholarly thinkers. Perhaps DuPree (1989) said it best when he said, "Leadership is an art, something to be teamed overtime, not simply by reading books. Leadership is more tribal than scientific; more weaving of relationships than an amassing of information, and, in that sense, don't know how to pin it down in every detail". Typically the more active "management-by-exception" leader defines the expectations or standards in advance and monitors them accordingly. "Rewards help clarify expectations, and the relationship assumes that the leader knows the values of the follower, can identify the actions of the follower, and recognizes the follower as a willing participant in the exchange". Issues are dealt with reactively, with standards confirmed after problems have been exposed. The transactional leader "functioned as a broker and, especially when the stakes were low, his role could be relatively minor and even automatic" (MacGregor Bums, 2003, p. 25). He additionally classifies the transactional leader as "one who includes in both simple and complex exchanges with followers to create a performance" that donates to satisfying the goals of the organization.

Laissez-faire leaders

Laissez-faire leaders demonstrate limited participation in vital organizational matters and incline to procrastinate their response to critical issues. Researches highlight that laissez-faire leaders are least attentive to the completion of duties and productivity (Anderson & McColl-Kennedy, 2005). The avoidance of involvement is a fundamental characteristic of the laissez-faire leadership style. This avoidance behavior leads to excessive frustration among followers and low level of followers‟ self-esteem. Laissez-faire leaders show very little care for followers' actions and their consequent impact on organizational outcome rather become source of followers demotivation. Given the negative characteristics of the Laissez-faire as a style, we grade it in non-leadership style, thus, reject it at the outset.

Advocates of transformational leadership have confidence in that the arrangements of the past should not be the guide for the future. They believe that successful transformational leaders create clear and compelling visions for the future. The transformational leaders focus their energies on vision, long-term goals, aligning and changing systems and developing and training others, Bass purports that such leaders show transactional behaviors as well. He opined that great men were born, not made. However, subsequent events unfolded that this concept of leadership was morally flawed, as was the case with Hitler, Napoleon, and the like, thereby challenging the credibility of the Great Man theory. This initial focus on intellectual, physical and personality traits that distinguished non-leaders from leaders portended a research that maintained that only minor variances exist between followers and leaders.

Performance is an important feature of an organization’s development and growth. So, development programs can be helpful in identifying and managing teams, guiding the managers to learn and adopt the attributes required for the job for effectively executing his performance towards organizational growth. Leadership development process intends not only to develop leaders but also look at improve the overall development of the organization by including organizational culture and values to achieve organizational objectives Hamilton and Cynthia (2005).

Research on leadership development is extensive but the literature on leadership development has progressed in a small way, though the literature on managerial leadership development is sparse and most of the studies are not empirical (Goldstein, 1980&Collins, 2002). Even though leadership development interventions are much talked about, research indicates that corporate are spending little time to evaluate the effectiveness of their interventions and more specifically, evaluate whether the programs are improving the organization’s performance (Sogunro, 1997& Collins, 2002). Lynham (2000) & Collins (2002), indicated that managerial leadership development should not be confused with leadership education as it involves a person’s career throughout their lifetime and not a short term event towards learning and development.

Bayley (1988) & Collins (2002) looked at 79 studies between 1966 and 1985 reported the effects of continuing education on behavioral changes in clinical practices. He used both pre and post -test, experiments versus comparison group studies in his research. Bayely recommended that information about intervention are provided by researchers and adhere to acceptable standards of scientific reporting.

Participatory Leadership Style

Introduced by Barnard (1938), participative leadership started with concepts of cooperation and adaptable, nurturing social life in organizations. Barnard (1938) stated that the success of organizations depended on the employees’ ability to engage with organizational goals and authority. Hence, came the idea of collective decision-making and shared responsibility.

Participative leadership theory also evolved from empowerment and human motivation concepts initiated with The Hawthorne Studies taken place in an electrical plant near Chicago between the years of 1927-1932. The Hawthorne effect showed that a supportive work environment had a positive effect on employee job satisfaction. Likert (1967) continued with the studies on the subject and found that leaders with higher levels of employee orientation delivered better results for job satisfaction. Based on Likert's organizational theory, leaders adopted four different systems: (1) exploitive/authoritative, (2) benevolent/authoritative, (3) consultative, and (4) participative. Participative leaders consistently delivered better employee outcomes for organizations (Yousef, 2000). Davis (1968) later developed the approach, concluding that increased participation yielded increased dedication and work ethics among employees. Locke and Latham (1990) further improved the theory and concluded that increased self-efficacy and responsibility correlated with job satisfaction among employees.

Participative leaders accentuate the qualities of highly skilled professionals by providing team members with an egalitarian, inclusive, and democratic team environment (Bass & Riggio, 2010). For example, participative leaders value unique perspectives and include team-members in the decision-making processes. Hence, participative leaders help team members acknowledge and appreciate colleagues' unique qualities while providing a sense of belonging and usefulness among the team (Rok, 2009).

Participative leadership is imperative for innovative industries, because the goal of organizations is to facilitate dispersed knowledge and skills with utmost efficiency. Software engineers belong to highly skilled virtual teams, because the software industry requires collaboration of national and international talent for competitive advantage (Noll, Beecham, & Richardson, 2010). Yan (2011) stated that participative leadership was indispensable for group settings where interaction towards problem solving was mandatory. For example, participative leaders utilize empowerment and engagement among team members. Empowerment is improving intrinsic motivation among virtual team-members to foster feelings of competence and belonging. Once team-members feel a sense of self-efficacy and engagement, responsibility towards goal attainment increases.

Transformational Leadership Style

Northouse (2016) explains that leaders who have the ability to engage and influence others will be able to apply transformational leadership theory. He associates these leaders with charisma, which he explains as a capacity to inspire others and justifies as necessary in order to forge dynamic relationships between leaders and followers. Northouse agrees with many scholars that the factors of transformational leadership include idealized influence, inspirational motivation, intellectual stimulation, and individualized consideration. These factors require a certain set of behaviors in leaders in order to create a shared vision and to reach organizational goals.

Transformational leadership has a long history. In the very beginning conception of transformational leadership is attributed to James MacGregor Burns, who proposed the idea in 1978 Marshall (2011) and the first to provide definition of transformational leadership before Bernard Bass expanded on it almost a decade later and other leadership scholars continue to build on the principle Lussier and Achua (2010). So, what is transformational leadership? To fully capture its meaning and concept in more depth looking at the writing of different scholars is important. Accordingly, Marshall (2011) defined transformational leadership as a style of leadership in which the leader identifies the needed change, creates a vision to guide the change and executes the change. This is done through inspiration and with the commitment of others. Indeed, transformational leadership is about change, about transformation. And the change focused on altering organizational missions, vision, values, performance, and the like to achieve maximum efficiency and quality in product and service delivery. They seek to alter the existing structure and influence people to buy into a new vision and new possibilities. Transformational leadership serves to change the status quo by articulating to followers the problems in the current system and a compelling vision of what a new organization could be Lussier and Achua (2010).

Transformational leader is the leader that moves followers beyond immediate self-interest through idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. This leadership at its heart inspirational because it deals with the spirit of the people involved. This leadership is about change in that it focuses on changing the way people form themselves. This means that leadership endeavours to alter the way people view themselves independently and in relation to others and, hence, influence their values, wants, aspirations, and needs. According to Lussier and Achua (2010) transformational leaders are known for moving and changing things in a big way which is possible through communicating to followers a special vision of the future, tapping into followers' higher ideals and motives. Transformational leaders seek to transform or change the basic values, beliefs, and attitudes of followers so that they are willing to perform beyond the minimum levels specified by the organization.

Innovativeness

The concept of innovativeness refers to inter-individual differences that characterize people's responses to new things. There are at least three approaches to the conceptualization of innovativeness, each of which carries its own implications for the measurement of the construct: behavioural, global trait, and domain-specific activity. Each makes its own contribution to the purposes of the investigator and requires its own interpretation of the results it produces. The behavioural perspective on innovativeness identifies the concept with the act of adoption. Consumers are thus designated as innovators or not depending on whether they adopt a new product or not. Moreover, the degree of innovativeness they possess depends on how quickly they adopt after encountering the innovation. This simple, time-based approach to the conceptualization of innovations has given rise to a more sophisticated behavioural approach to the diffusion of innovations, which emphasizes the external rewards available to consumers at each successive stage of the product-market life cycle (Foxall, 2003, 2004b). Conceived within a broader behavioural perspective approach to consumer behaviour (Foxall, 1990), this depicts the behaviour of the earliest adopters of new products (consumer initiators) as determined by the high levels of both utilitarian (functional, technical, economic) and symbolic (social, psychological) rewards available to the consumer at this initial phase of the life cycle. Only consumers with the appropriate learning history of innovative behaviour are likely to purchase at this stage. Subsequently, earlier and later imitators are induced to adopt by patterns of reward that emphasize first the utilitarian and then the symbolic benefits of purchasing at that time. Finally, the last adopters venture into the market place when the benefits of adopting the 'new' item are obvious to all, and the alternative products these consumers have hung on to for so long have themselves disappeared from the market (Foxall, 1996).

The Concept of Innovation

The term "innovation" as such was used for the first time by Schumpeter at the beginning of the 20th century. His ideas and research have been developed by a number of other authors. Schumpeter defined innovations as product, process and organizational changes that do not necessarily originate from new scientific discoveries (Žižlavský, 2011), but may arise from a combination of already existing technologies and their application in a new context (Žižlavský, 2011).

Innovation also originates from public research (Autant-Bernard, 2001). It is therefore possible to summarize that according to these definitions innovations do not cover only technical and technological changes and improvements, but in particular practical application and particularly originates from research. Human capital and creative research work are according to Zemplinerová (2010) and Autant-Bernard (2001) considered the most important determinants of innovation. Adair (2004) states that any innovative organization should have a bucketful of ideas.

According to Košturiak & Chaľ (2008), Skarzynski & Gibson (2008), Tidd, Bessant & Pavitt (2007) an innovative process can be divided into two essential parts. One part is inventive – associated with the generation of the original idea, thought or concept – and the second innovative, during which the invention is implemented and marketed. Pitra (2006) states that innovation is the result of employees' creativity in an organization and must be always targeted at customers and bring added value. It is therefore necessary to realize that the inventive part is based on people's knowledge, skills and experience (Molina-Morales, Garcia-Villaverde & Parra-Requena, 2011).

According to Kotler (2006) and Aliu (2010), an innovation is any good service or idea that is perceived by someone as new. The Oxford Learner Dictionary defined it as the introduction of new things, ideas, or ways of doing things/something, which is yet to be carried out by anyone or that is unique. Heunk (2007) defined innovation as the successful implementation of a creation and this innovation seems to foster growth, profits and success. Many companies today because of the competitive nature of the market are innovative bringing about new ideas and modifying existing ones into their offerings (Aliu, 2010).

Classification of Innovation

Innovation can be classified into product innovation and process innovation. Product innovation refers to the new or improved product, equipment or service that is successful on the market.

Process innovation involves the adoption of a new or improved manufacturing or distribution process, or a new method of social service. This is no to mean that the two types of innovations are mutually exclusive. Process innovation for instance may lead on to product innovation and product innovation may also induce innovation in processes. Some authors have emphasized a third category of innovation, that of organizational change within the firm. Thus further to product innovation and process innovation, there is organizational innovation. Organizational innovation can lead to more effective utilization of human resources that are crucial to the successful exploitation of ideas. Hence, innovations can occur in three broad dimensions – product, process and organizational.

Creativity is sometimes used to mean innovation. This study does not however view creativity as innovation; instead it sees creativity as a start point for innovation. According to Amabile (1996), creativity by individuals and teams is a starting point for innovation. She further opined that creativity being the starting point for innovation is a necessary condition but not a sufficient condition. According to her innovation is the successful implementation of creative ideas within an organization and successful innovation also depends on other factors as well and it can stem from not only from creative ideas that originate within the organization but also from ideas that originate from elsewhere for example technology transfer.

According to Schumpeter (1986), there are five areas in which companies can introduce innovation. Generation of new or improved products; Introduction of new production process; Development of new sales market; Development of new supply market; Reorganization and/ or restructing of the company.

The above definition clearly distinguishes innovation from minor changes in the makeup and/ or delivering of products in forms of extension of product lines, adding service components or product differentiation. Innovation is not related to production fields only, but there are other fields and activities which can be innovated as the following (Fergerberg, 2004; Subrahmanya, 2005):

Process innovation:

This is the adoption of new or significantly improved production methods. These methods may involve changes in equipment or production organization or both. The methods may be intended to produce new or improved products which cannot be produced using conventional plants or production methods, or essentially to increase the production efficiency of existing products

Marketing innovation:

This is an innovation that satisfies customer needs and develops a competitive advantage through differentiation along one or more of the following: Desired Product Features and Design, Size, Usability, Quality, Time, Price ,Cost savings/ Incremental Revenues… in other words is the implementation of new marketing method involving significant changes in product design or packaging, product placement, product promotion or pricing.

Organizational innovation:

This is the implementation of a new organizational method in the firm's business practices, workplace organization or external relations. It can be intended to increase a firm's performance by reducing administrative costs or transaction costs, improving workplace satisfaction (Jobber, 2006)

Moreover, there are other sorts of innovation adopted by companies which can be illustrated in the figure below:

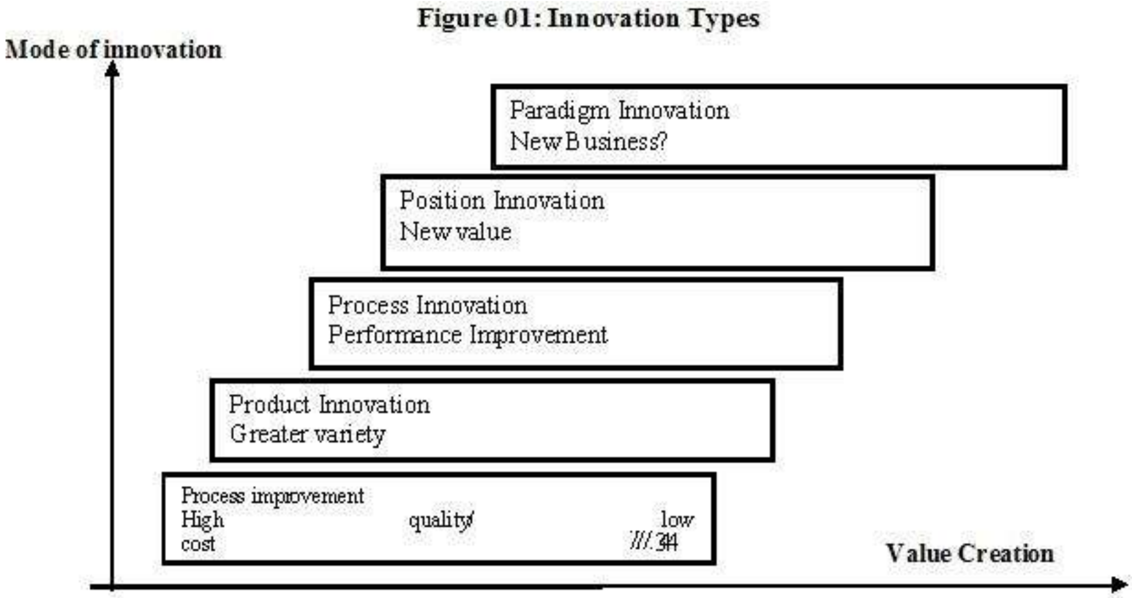

Figure 2.1: Innovation Types
Source: Joe Tidd. (2006). Managing Innovation for Global Competitiveness. Renaissance Project Symposium. Tokyo.

The paradigm above indicates that in every type of innovation there is a created value weather from costs, quality or performance. This classification of innovation's types according to Joe Tidd (2006) is conformed with the global value of innovation, for example, the paradigm innovation leads to the opening of new frameworks and developing the company's activities, however; the created value from the organizational innovation is restricted on the current company's activities through the introduction of new leadership models and new management methods. At the lowest level, Tidd (2006) suggested the Process improvement as a kind of innovation which means the introduction of new modifications to the existing activities and operations without complete changes, and the result is the reduction of costs and quality improvement. Despite the differences between the created values of each type of innovation, the main and essential objective is to increase the global benefit of the company.

What we can remark from the different kinds of innovation is that there is a common idea which is the improvement and the development which indicates the main role of the technological knowledge. And because any company aims to cover the largest market part or at least to protect and maintain its market position, the innovation plays a big role in that, so it can be(market) considered as an important factor to determine the type of innovation, as the following diagram denotes.

	Improving existing knowledge	Creating new knowledge
Creating new markets/segme nts	**Market Innovation**	**Basic Innovation**
Retaining existing markets	**Incremental Innovation**	**Technological Substitution**

Figure 2.2: Technological Knowledge
Source: Froslev, J. C (2007), Innovation-concepts, process and strategies.PHD course, Hillerod Copenhagen Business School

It's clear that there is an interface between the used technology and the market, we differentiate between 4 types of innovation whish are formed as a combination of market and technologies:

i. **Market innovation**: in this type new markets have been created used the same existing knowledge with some modifications and improvements. The main goal here is to discover new markets:

ii. **Basic innovation**: depends on creating new markets using new knowledge, in this type there is an interaction and combination between the different types of innovation (product, market, organizational, and process innovation):

iii. **Incremental innovation**: In this type companies retain the existing markets and at the same time use and create new technologies and knowledge;

iv. **Technological substitution**: here companies focus on using new technologies.

Whatever the kind of innovation, the basic axe of innovation remains the creation and the implementation of new ideas under some conditions that should be provided such as (Baker, 2005):

Willingness: including a company's capacity to change and the extent of its knowledge that change is possible;

Opportunity:

- Supply side: technology exists or could be developed;
- Demand side: regulatory requirement, opportunity to save costs or add to profits, pressure from workers or public;

Capacity:

Knowledge about better techniques and the level of skill base at the company. After this clarification about innovation and its different types we can say that it's considered as a complete system in the company included in the whole managerial system. Such a system is composed of several organizational elements: inputs, technological innovation process, resources that are internal and external factors and firm's innovativeness.

Inputs: the basic inputs that make up the process are technology, creativity and knowledge:

Process:

This may be achieved on two levels: the research phase and the product development phase consists of stimulation, proposal selection, problem solving and output realization:

Resources: both internal and external resources;

Outputs: represented by: products, processes and support activities, and the general outcome of the innovative process that a business creates with the innovative capacities is that business's general innovative index. Of course these outputs will be an input to the system as feedback providing a base for forthcoming innovations. It should be noticed that the innovations that companies come up with can be grouped into five separate categories as the following (Baker, 2005; Jobber, 2006)

Sources of Innovation

There are several sources of innovation in general. In the linear model of innovation the traditionally recognized source is manufacturer innovation. This is where an agent (person or business) innovates in order to sell the innovation. Another source of innovation, only now becoming widely recognized, is end-user innovation. This is where an agent (person or company) develops an innovation for their own (personal or in-house) use because existing products do not meet their needs.

Engelberger (1984), says that innovations require only three things: 1. A recognized need, 2. Competent people with relevant technology, and 3. Financial support. Innovation by businesses is achieved in many ways, with much attention now given to formal research and development for "breakthrough innovations". But innovations may be developed by less formal on-the-job modifications of practice, through exchange and combination of professional experience and by many other routes. The more radical and revolutionary innovations tend to emerge from R&D, while more incremental innovations may emerge from practice – but there are many exceptions to each of these trends.

Regarding user innovation, a great deal of innovation is done by those actually implementing and using technologies and products as part of their normal activities. Sometimes user-innovators may become entrepreneurs, selling their product, they may choose to trade their innovation in exchange for other innovations, or they may be adopted by their suppliers. Nowadays, they may also choose to freely reveal their innovations, using methods like open source. In such networks of innovation the users or communities of users can further develop technologies and reinvent their social meaning (Kotler, 2000).

Whether innovation is mainly supply-pushed (based on new technological possibilities) or demand-led (based on social needs and market requirements) has been a hotly debated topic. Similarly, what exactly drives innovation in organizations and economies remains an open question. More recent theoretical work moves beyond this simple dualistic problem, and through empirical work shows that innovation does not just happen within the industrial supply-side, or as a result of the articulation of user demand, but through a complex set of processes that links many different players together – not only developers and users, but a wide variety of intermediary organisations such as consultancies, standards bodies etc. Work on social networks suggests that much of the most successful innovation occurs at the boundaries of organisations and industries where the problems and needs of users and the potential of technologies can be linked together in a creative process that challenges both.

Research Methodology

The study adopted the cross-sectional form of the quasi-experimental research design. A population of 1521 was targeted but a sample size of 226 was obtained, using the Krejcie and Morgan sample size determination table. The instrument was subjected to construct and content validity, in furtherance to a pilot study carried out. The reliability of the instrument was checked using the Cronbach Alpha test of the SPSS. The regression analysis was used to test the hypotheses.

Sample Size Determination

Taking into accounts the different sizes of the firms, we used Bowley's formula to proportionately allocate the 226 (two hundred and seventy-one) questionnaire to the 18 (eighteen) banks.

Bowley's formula is represented thus:

$n_h = \{Nh/N\} * n$

Where:

n_h = sample size of stratum h
N_h = population size for stratum h
N = total population size
N = total sample size

Results and Discussion

This section presents and discusses the **Questionnaire distribution**

Table 4.1: Questionnaire distribution

	Frequency	Percentage (%)
Minimum Sample Size	226	-
Questionnaire copies distributed	226	100
Questionnaires Retrieved	225	99.56
Incomplete/Wrongly Filled	11	4.87
Valid Questionnaires	214	94.69

Source: ***Author's Field Survey (2021)***

The study in previous section deduced the suitability of a minimum sample size of 226. But due to exigencies and vagaries in the field, the author mobilized 226 (100%) questionnaires to the sample areas. While only 225 (99.56%) questionnaires were retrieved, the authors observed that 11 (4.87%) questionnaires were either wrongly filled or incomplete thereby making them invalid to the study. This owes largely to non-adherence to stipulated instructions by respondents; honest omission by respondents and selections of multiple options in a single item which will actively invalidates the questionnaire. Only 214 (94.69%) of mobilized questionnaires were considered valid and admissible and therefore utilized in the study. To further confirm the validity and reliability of the admitted questionnaires, the study employed the reliability test using the Cronbach alpha reliability statistics.

Table 4.2: Reliability statistics

Variables	Dimensions/Measures	Alpha Value
Corporate governance (Predictor)	Corporate governance disclosure	**.836**
	Internal control system	**.834**
	Leadership styles	**.832**
Employee effectiveness (Criterion)	Task performance	**.830**
	Innovativeness	**.827**
	Service quality	**.826**
Moderating	Organizational culture	**.833**
Average Reliability Value		**.842**

Source: ***Author's Field Survey (2021) - SPSS version 25 output extracts***

Using the Cronbach alpha statistics to scale the variables, it can be easily observed that there is convergence in the responses given by respondents. This shows clarity and understanding of the questionnaire (items). This is linked to the fact that all item showed an Alpha values greater than 0.70 (70%) as prescribed by Nunally (1978) thereby showing reliability of the study variables.

It should be further identified that the study utilized dimension reduction, as all items under each dimension/measures were statistically collapsed into a single principal component using factor analysis, it is therefore relevant to similarly show how well captured these items are in their respective using the confirmatory factor analysis.

Highest Educational Level of Respondents

It cannot be beyond acceptation that education may have an influence in employee's behaviour, character, attitude, social interaction and understanding of certain phenomenon. Education somehow exposes a person socially and widens one's social horizon. On this note, the study indicated to investigate the educational qualification of the study respondents.

Table 4.5: Respondents' Highest Educational Attainment

Educational Qualification of Respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	O' Level Certificate	71	33.2	33.2	33.2

	First Degree	105	49.1	49.1	82.3
	Master's Degree	38	17.7	17.7	100.0
	Total	214	100.0	100.0	

Source: Research Data; SPSS output, 2021

The bulk of respondents can be observed (from Figure 4.2) to be first degree holders as observed from 105 respondents. This shows that a major criteria for employment is usually the possession of a Bachelor's degree in related field. Following this, the O'level certificate category with 71 respondents can be observed to accommodate the second largest group. The least educational grouping are the Maters Degree holders. The above shows clearly nonetheless that the active workforce are largely First degree and O'level certificate holders than any other form of academic qualification.

Respondents service years in selected banks

Employees' understanding of the working environment is a function of the number of years he or she has worked for the firm. Thus, employees were asked to provide information on year of service in their respective banks.

A profile of respondents, based on years of patronage with the banks, is presented in table 4.6 and Figure 4.3.

Table 4.6: Respondents' year of patronage with banks

Number of years in the organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1 to 5 years	14	6.5	6.5	6.5
	6 to 10 years	61	28.5	28.5	35.0
	11 to 15 years	109	50.9	50.9	86.0
	16 to 20 years	30	14.0	14.0	100.0
	Total	214	100.0	100.0	

Source: Research Data; SPSS Output, 2021

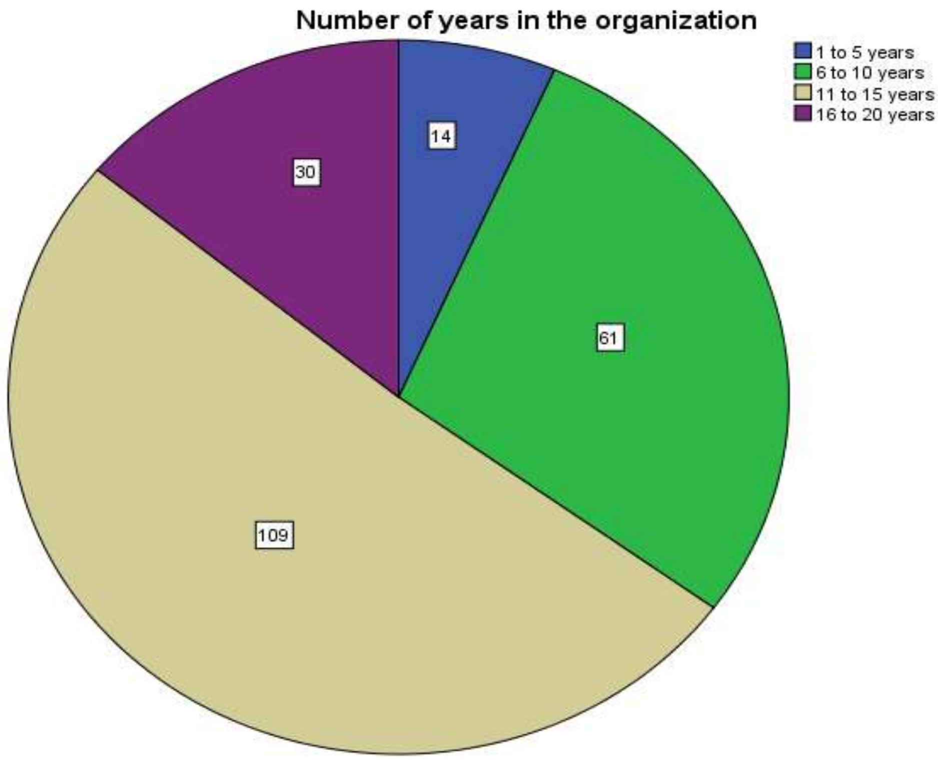

Figure 4.3: Respondents' Length of service with banks
Source: Research Data; SPSS Output, 2021

Figure 4.3 showing the distribution by length of service shows that the highest frequency of respondents (109 respondents) can be attributed to a service period of between 11 to 15 years of active service. Following this is the next group of 61 respondents who affirmed to have worked for the firm for up to 6 to 10 years. The second to the last group of 30 respondents claim to have served the said banks for between 16 to 20 years while the least group of 14 respondents claim to have patronized the banks from 1 to 5 years. This distribution shows sufficient service period and further gives us a sample size of respondents who will be very conversant with the operations of the company and as such will give more valid and reliable answer as to the study items. But overall, the majority of the employees have patronized the various firms for as long as between 11 to 15 years.

Leadership styles

Table 4.10: Descriptive statistics on Leadership styles

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
LDS1	214	1	5	4.23	.757	-.407	.135	-1.155	.270
LDS2	214	1	5	4.22	.752	-.379	.135	-1.150	.270
LDS3	214	1	5	4.20	.737	-.330	.135	-1.102	.270
LDS4	214	1	5	4.32	.718	-.565	.135	-.897	.270

LDS5	214	1	5	4.33	.753	-.621	.135	-.990	.270
LDS6	214	1	5	4.31	.715	-.532	.135	-.907	.270
Valid	214								

Source: SPSS Computation from Research Data (SPSS Output), 2021.
Note: The appendix has all item statements, frequencies and percent.

Using the degree of manifestation of each item in terms of mean values as calculated above, where mean values between 1 to 2.4, 2.5 to 3.4 and 3.5 to 5.0 connote low, moderate and high levels of manifestation of the individual items respectively, the cut-off mean score for this study is 3.0. Table 4.10 indicates that item five (LDS_5), "Laissez-Faire: Our leader allows teams to explore creative strategies and drives innovation." scored the highest in this dimension with a mean score of *LDS_5 (M= 4.33, SD = 0.753)* which shows a strong laissez-fair type of leadership within the organization. The second highest mean score was for item three (LDS_4), "Democratic or Participative leadership: Our leader tends to decentralise authority" at a mean score of *LDS_5 (M= 4.32, SD = 0.718).* With respect to item one, "Participative: Our leader involves input from all employees, resulting in a decision that reflects the majority's views " The respondents agreed that their leaders are quite participative, with a mean score of *LDS_1 (M= 4.23, SD = 0.757).*

The second item " Transformational: Our leader communicate what is needed and inspire the team to achieve this goal and maximise productivity" got a mean score of *LDS_2 (M= 4.22, SD = 0.752).* With respect to item three, "Autocratic or Authoritarian leadership. Our leader centralizes power and decision-making to himself/herself " The respondents agreed that their leaders are autocratic in nature, with a mean score of *LDS_3 (M= 4.20, SD = 0.737)*. All items of Leadership styles were rated affirmative, as no item fell below the benchmark mean score adopted for the study (3.0). Both tests for normality on the items indicated that they are acceptable as all of the items fell between -1 and +1 for skewness and kurtosis. The SPSS output result indicated all items to be closer to 0. The mean scores on LDS_1-LDS_5 suggest that organizational leaders displayed a compendium of traits as captured in the questionnaire.
From the above, the three empirical referents of corporate governance have been analyzed, below is the summary of the cumulative view of this construct (Corporate governance) amongst selected manufacturing employees in Rivers Stated as computed by SPSS-Amos.

Model 2 (Innovativeness)

Table 4.19 Model Evaluation of Innovativeness as influenced by Corporate governance disclosure, Internal control, and Leadership styles.

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method

1	Leadership styles, Corporate governance disclosure, Internal control system[b]		Enter

a. Dependent Variable: Innovativeness
b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.884[a]	.782	.777	.47261638

a. Predictors: (Constant), Leadership styles, Corporate governance disclosure, Internal control system

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	125.931	4	31.483	140.947	.000[b]
	Residual	35.069	157	.223		
	Total	161.000	161			

a. Dependent Variable: Innovativeness
b. Predictors: (Constant), Leadership styles, Corporate governance disclosure, Internal control system
a. Dependent Variable: Innovativeness

Source: ***Author's Field Survey (2021)- SPSS version 25 output.***

The Study observes from the R-square value of 0.864 that all employed dimensions (Corporate governance disclosure, internal control, and Leadership styles) jointly account for up to 86.4 percent of variation in the criterion variable as captured in the model (model 2) by Innovativeness. This shows that the variables used to predict the behaviour of efficiency of the firm are adequate predictors of the variables. As such, this shows that the variables are well selected. The F-statistics value of 2116.965 at a significance level of 0.000 which is lower than the 0.05 significance shows that the model is well fitted. This means that the employed variables go hand-in-hand and as such are well blended.

Test of Hypothesis Eight

H_{O8}: There is no significant relationship between Leadership styles and Innovativeness of bankss in Rivers state.

The study observes in the regression output in Table 4.22 the coefficient of 0.526 which shows a t-statistics value of 9.282 (which is greater than the ±1.96 threshold level) and a probability level of 0.000 which is less than the 0.05 significance level. The null hypothesis is therefore rejected while the alternate form of the hypothesis is accept therefore concluding that there is a significant relationship between Leadership styles and Innovativeness of banks in Rivers state.

Discussion of findings

It was hypothesized that there is no significant relationship between Leadership styles and task performance. This hypothesis was not supported and so refuted. The study result reveals that Leadership styles have a commendable level relationship with task performance, so it can positively enhance task performance. This study findings support that, improvement in organizational Leadership styles, which refers to how the personnel are knowledgeable and able to attend to employees need and how approachable and apologetic they are to operational vagaries, can help increase their task performance as perceived by employees. This follows the line of Bass et al., (2012) who observed that the success of these institutions only rests upon the performance of the employees and the leadership. On the part of the employees their undaunted efforts, diligence and efficiency leading to the desired objectives are the replica of various leadership styles (Iqbal, Anwar & Haider, 2015). Among these styles, the most prominent are the transformational and transactional leadership

Conclusion and Recommendations

The employees of the banks in Rivers State exhibit commendable levels of innovativeness. One of the strategies to achieve effective Leadership styles is the building of the transactional leadership demeanor by organizational leaders. Leaders should strive to develop employees and learn to resolve issues and complaints raised by an unsatisfied person in a timely and efficient manner (Oghazi, 2014) to maintain good employee relationship and satisfaction.

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