

EMPLOYEE WORK DISCRETION AND ORGANISATIONAL INNOVATIVENESS: A MODERATING ROLE OF ORGANISATIONAL CLIMATE IN BANKS IN NIGERIA**Godwin Olai Ph.D. Mnim, Mcai****Department of Management Faculty of Management Sciences IAUE, PHC***Email; olai.godwin@iaue.edu.ng, olaimbas@gmail.com***ABSTRACT**

This research work examined work discretion and Organisational Innovativeness of deposit money banks in Nigeria. The researcher selected all the twenty (20) deposit money banks with main branch in Port Harcourt metropolis in Rivers State as population for the study. The work was therefore a census study since the population of twenty (20) deposit money banks was a manageable size. The researcher purposively selected five (5) managerial staff from each of the twenty (20) deposit money banks making a total of one hundred (100) staff as respondents for the study under review. The correlation research design was deemed imperative in this study as it deals with a multivariate analysis of the relationship existing amongst the study variables such as work discretion and organisational innovativeness and its measures. The researcher used both the primary and secondary data in the course of study. The Product Movement Correlation (PPMC) statistic was adopted to test the hypotheses. The outcome of the study revealed that information sharing is positively and significantly related with organisational innovativeness. It was therefore concluded that adequate work discretion improves both product, process and service innovativeness thereby promoting growth and expansion of deposit money banks in Nigeria through innovativeness. It was then recommended that deposit money banks, public agencies, private firms and industries should as a matter of necessity engage in employee empowerment practices such as work discretion.

Keywords: Employee Work Discretion, Organisational Innovativeness, Organization Climate

INTRODUCTION

The notion of discretion occurs when someone has the freedom and authority to take action and is aware of this freedom (Finkelstein et al., 2009, p. 26; Hackman & Oldham, 1975). A definition on discretion in the *English Dictionary for Advanced Learners* (2001, p. 435) is: "if someone in a position of authority uses their discretion or has the discretion to do something in a particular situation, they have the freedom and authority to decide what to do". It may occur in different forms like employee, job or managerial discretion that all are used in the literature.

Job discretion can be seen as an extension of the concept of managerial discretion. Furthermore, job discretion is closely related to the concept of job autonomy. Both -managerial discretion and job autonomy- are discussed to provide insights on the differences and similarities, resulting in better understanding of job discretion.

Work discretion relates to the amount of authority one employee has in his own work, rather than being influenced by someone else. This is also known as "job autonomy" and is explained in the organisational behavior literature by Hackman and Oldham (1975, p. 162) as "the degree to which the job provides substantial freedom, independence, and discretion to the employee in scheduling the work and in determining the procedures to be used in carrying it out". Employees are given

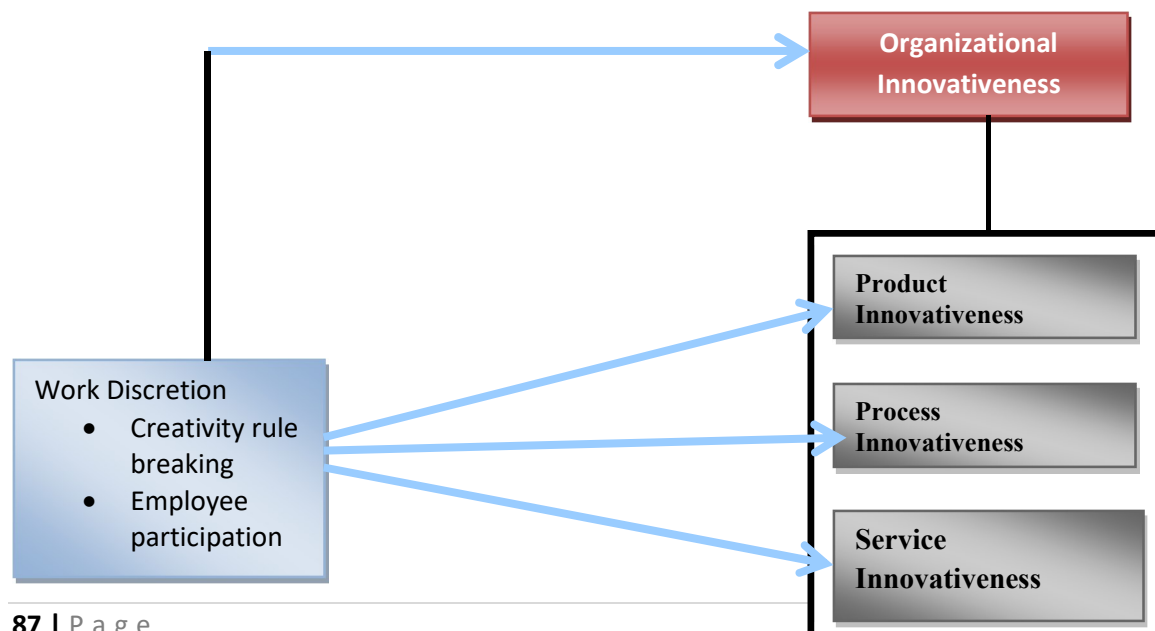
discretion by their employers to carry out tasks to be completed in a specified amount of time, rather than being told what to do at every moment (Prendergast, 2002).

However work discretion is essential in making sure that employees are involved with the activity in the organisation. Sarinah, Akbar and Prasadja (2018) examined if work autonomy do relate with the engagement of employees. They observed that job autonomy have positive direct relationship or impact on the commitment of the employees. By extension, employees get more emotionally involved in the activities of the organisation when there is job autonomy. They further noted that the engagement of employee increases when there is job autonomy. Job autonomy give a sense of responsibility to the employees. As such, employee get more emotionally involved in the firms activities in order to achieve greater goals. Chen and Chiu (2009) remarked that job autonomy may also act as a motivational factor which help employees to put in more effort into their work.

Organisational innovativeness is perceived in contemporary literature as a desirable aspect of organisations because it energizes them and enhances their probability of survival and continued success (Gopalakrishnan and Damanpour, 1997; Hurley and Hult, 1998; Hurley, Hult, and Knight, 2005; Siguaw, Simpson, and Enz, 2006; Subramanian, 1996). As such, organisational innovativeness has been studied extensively in multiple disciplines (e.g., management, marketing, entrepreneurship). Studies have mostly concentrated on organisational innovativeness relationships with strategic, market, and entrepreneurial orientations (EOs), organisational learning, performance, leadership, and other outcomes (e.g., Atuahene-Gima, 1996; Baker and Sinkula, 1999; Deshpandé and Farley, 2004; Deshpandé, Farley, and Webster, 1993; Gumusluoglu and Işsev, 2009; Han, Kim, and Srivastava, 1998; Hult, Hurley, and Knight, 2004; Hurley and Hult, 1998).

Many studies have revealed and shown that work discretion has a significant relationship with organizational innovativeness (Li-Chun et al., 2008; Sarra et al., 2014 & Hasan 2015). Therefore the need to adopt work discretion in deposit money banks in Nigeria as a strategic tool and managerial practice to expand and enhance innovativeness has been advanced for proper research in this study.

Operational Conceptual Framework



H₀₁: There is no significant relationship between work discretion and product innovativeness of deposit money banks in Nigeria.

H₀₂: There is no significant relationship between work discretion and process innovativeness of deposit money banks in Nigeria.

H₀₃: There is no significant relationship between work discretion and service innovativeness of deposit money banks in Nigeria.

Kanter's Structural Empowerment Theory

Empowerment in the workplace is a popular idea that has permeated both the popular and scientific literature (Laschinger, Finegan, Shamian, & Wilk, 2001, 2004). The concept of empowerment is closely aligned with this thrust to gain organisational effectiveness through the wise utilization of human resources (Siegall & Gardner, 2000). Conger and Kanungo (1988) pointed out that empowerment "is a principle component of managerial and organisational effectiveness and empowerment techniques play a crucial role in a group development and maintenance" (p. 471). With more organisations looking for employees who take the initiative and respond creatively to the challenges of the job, empowerment becomes important at both individual and organisational levels. Unfortunately, empowerment programs have not always been proven effective (Siegall & Gardner, 2000); therefore, a better understanding of which organisational factors positively influence empowerment would be useful.

One of the earliest proponents of empowerment was Kanter (1993). She argued that characteristics of the organisation determine empowerment. More specifically, she argued that both formal job characteristics and informal alliances affect the ability of employees to accomplish their work. Similarly, organisational mobility and the possibility for personal growth influence job accomplishment. These factors together determine the degree to which a person feels empowered. Empowered employees are generally more satisfied with their job (Laschinger et al., 2001, 2004; Wagner et al., 2010). According to Kanter's structural empowerment framework, we examined the impact of access to opportunities, information, support and resources, and two types of power, formal and informal, on intrinsic job satisfaction and job satisfaction with supervisors.

Kanter (1993) expresses the characteristics of a situation can either constrain or encourage optimal job performance, regardless of personal tendencies or predispositions. According to Kanter (1993) power is defined as the "ability to mobilize resources to get things done" (p. 210). Power is 'on' when employees have access to lines of information, support, resources, and opportunities to learn and grow. When these 'lines' or sources are unavailable, power is 'off' and effective work is impossible. These lines of power are sources of 'structural' empowerment within the organisation (Greco, Laschinger, & Wong, 2006; Laschinger et al., 2001, 2004).

Work discretion and Organisational Innovativeness

"Work discretion is the level to which a job provides independence, freedom, and discretion to make use of preferred work methods, to make decisions, and to schedule work" (Humphrey et al., 2007). Work discretion has been a center of attention of organisational researchers over the past few years. Humphrey et al. (2007), in a recent meta-analysis of 259 studies on job autonomy, reported a positive effect on performance, satisfaction, commitment, and employee motivation. Similarly, employees having higher levels of autonomy have lower levels of turnover intentions, absenteeism, and burnout (Humphrey et al., 2007).

Morgeson et al. (2005) give opinion that work discretion brings breadth of role for employees. Parker (1998) describes that work discretion enhances employee ownership of problems. It gives employees a recognition of the skills and knowledge required for doing a particular job. Work discretion by giving control over the job motivates employee to try out new ways of working. This elaborates that workers integrate novel methods into their traditional roles and hence broaden their job (Parker, 1998).

Empowered employees always come up with novel ideas. Discretion permits employees to engage in "trial-and-error". Innovation also needs trial-and-error, success and failure (Ramamoorthy et al., 2005). Empowered employees experiment unique methods and approaches. They may follow novel ways of doing work which later on may turn out into innovations (De Spiegelaere, Van Gyes, et al., 2014). Shalley and Gilson (2004) have shown that novel methods that employees use at work lead to individual innovative behavior. Autonomy while bringing freedom to work organisation inspires employees to contribute original ideas to work (De Spiegelaere, Gyes, et al., 2014). Cabrera et al. (2006) establish that employees with more autonomous responsibilities share knowledge among them. Consequently, innovative behavior is stimulated (Axtell et al., 2000). Roberg (2007) empirically shows that empowerment has positive relationship with innovative behavior in the workplace.

METHODOLOGY

Research Design

The study is correlational in nature, and is carried out in the natural environment where work proceeds normally (non-contrived setting).

Population

The population for this study includes all the deposit money banks licensed to operate in Nigeria. According to the Central Bank of Nigeria (CBN), the number of deposit money banks in Nigeria with operational permit totals twenty two (22). Given the short time frame, insecurity nature of some part of the country and limited financial resources on the part of the researcher, not all the deposit money banks were used in the study. Table 3.1 is used to show all the deposit money banks in Nigeria.

Hence the sample size of one hundred (100) was chosen as follows: One (1) Branch Manager, one (1) Operations manager, one (1) Human resources manager, one (1) Customer relations managers and one (1) Internet technology manager from each deposit money bank making a total of five (5) managerial staff from each deposit money bank and a final total of one hundred (100) from the twenty (20) deposit money banks.

Table 1: Distribution of Sample Size

S/N	DEPOSIT MONEY BANKS	NUMBERS OF STAFF
1	Access Bank Plc.	5
2	Citibank Nigeria Ltd.	5
3	Ecobank Nigeria Plc.	5
4	Fidelity Bank Plc.	5
5	First Bank Nigeria Ltd.	5
6	First City Monument Bank Plc.	5
7	Globus Bank Ltd.	5
8	Guaranty Trust Bank Plc.	5
9	Heritage Banking Company Ltd.	5

10	Key Stone Bank	5
11	Polaris Bank	5
12	Stanbic IBTC Bank Ltd.	5
13	Standard Chartered Bank Nigeria Ltd.	5
14	Sterling Bank Plc.	5
15	Sun Trust Bank Nigeria Ltd.	5
16	Union Bank of Nigeria Plc.	5
17	United Bank For Africa Plc.	5
18	Unity Bank Plc.	5
19	Wema Bank Plc.	5
20	Zenith Bank Plc.	5
TOTAL		100

**Source: Survey Data, 2019.*

Methods of Data Analysis

The hypotheses were analysed by means of the Pearson Product Movement Correlation (PPMC). The Pearson Product Movement Correlation was calculated on SPSS 21.0 version software package to establish the relationship among the empirical referents of the predictor variable and the measures of the criterion variable.

Result

H₀₁: There is no significant relationship between work discretion and product innovativeness of deposit money banks in Nigeria.

Table 2: Work discretion and product innovativeness

		WD	Prod_Inn
WD	Pearson Correlation Coefficient	1	.446**
	Sig. (2-tailed)		.000
	Sum of squares and Gross Products	2098.990	848.960
	Covariance	21.202	8.575
	N	100	100
Prod_Inn	Pearson Correlation Coefficient	.446**	1
	Sig. (2-tailed)	.000	
	Sum of squares and Gross Products	848.960	1725.840
	Covariance	8.575	17.433
	N	100	100

Note: WD = work discretion; Prod_Inn = product innovativeness; * = correlation is significant at the 0.05 level (2-tailed).

As shown from the data analysis using a sample size of 100 on table 2, the relationship between work discretion and product innovativeness is strong, positive and significant. Evidence show that Pearson product correlation coefficient is .446** and the probability value less than the critical value (i.e. $r = .446$, $p = .000 < 0.05$). In other words, work discretion positively predicts product innovativeness. This means, if deposit money bank employees increase their level of work discretion, product innovativeness will as well, increase. Therefore, the null hypothesis which states that there is no significant relationship between work discretion and product innovativeness

was rejected, while the alternative hypothesis which states that there is a significant relationship between work discretion and product innovativeness was accepted.

H₀₂: There is no significant relationship between work discretion and process innovativeness of deposit money banks in Nigeria.

Table 3: Work discretion and process innovativeness

		WD	Proc_Inn
WD	Pearson Correlation Coefficient	1	.128 ^{ns}
	Sig. (2-tailed)		.203
	Sum of squares and Gross Products	2098.990	268.520
	Covariance	21.202	8.575
	N	100	100
Proc_Inn	Pearson Correlation Coefficient	.128 ^{ns}	1
	Sig. (2-tailed)	.203	
	Sum of squares and Gross Products	268.520	2080.960
	Covariance	2.712	21.020
	N	100	100

Note:WD = work discretion; Proc_Inn = process innovativeness; * = correlation is not significant at the 0.05 level (2-tailed).

As shown from the data analysis using a sample size of 100 on table 3, the relationship between work discretion and process innovativeness is weak, negative and insignificant. Evidence show that Pearson product correlation coefficient is .128^{ns} and the probability value more than the critical value (i.e. $r = .128$, $p = .203 > 0.05$). In other words, work discretion failed to predict process innovativeness. This means, as deposit money bank managers increase their level of work discretion to employees, process innovativeness, however, tend to decrease. Therefore, the null hypothesis which states that there is no significant relationship between work discretion and process innovativeness was accepted.

H₀₃: There is no significant relationship between work discretion and service innovativeness of deposit money banks in Nigeria.

Table 4: Work discretion and service innovativeness

		WD	Serv_Inn
WD	Pearson Correlation Coefficient	1	.242*
	Sig. (2-tailed)		.015
	Sum of squares and Gross Products	2098.990	469.400
	Covariance	21.202	4.741
	N	100	100
Serv_Inn	Pearson Correlation Coefficient	.242*	1
	Sig. (2-tailed)	.015	
	Sum of squares and Gross Products	469.400	1788.000
	Covariance	4.741	18.061
	N	100	100

Note:WD = work discretion; Serv_Inn = service innovativeness; * = correlation is significant at the 0.05 level (2-tailed).

As shown from the data analysis using a sample size of 100 on table 4, the relationship between work discretion and service innovativeness is strong, positive and significant. Evidence show that Pearson product correlation coefficient is .242* and the probability value less than the critical value (i.e. $r = .242$, $p = .015 < 0.05$). In other words, work discretion positively predicts service innovativeness. This means, as deposit money bank employees increase their level of work discretion, service innovativeness tend to increase as well. Therefore, the null hypothesis which states that there is no significant relationship between work discretion and service innovativeness was rejected, while the alternative hypothesis which states that there is a significant relationship between work discretion and service innovativeness was accepted.

DISCUSSION

Effect of work discretion on organisational innovativeness

The test of hypotheses seven to nine of this research revealed that work discretion positively correlated with organisational innovativeness among deposit money banks in Nigeria. This implies that increase in organisational innovativeness in the form of product, process and service innovativeness is a function of being able to design jobs and take responsibilities independently by bank managers without necessarily going through the bureaucratic processes of the top-down decision process where only directors and take major production, process and service decisions. This findings is in consonance with previous studies (for example, De Spiegelaere et al. 2014; Cabrera et al. 2006) who found that empowering service line workers and employees improves innovativeness among organisational workers in different industries and firms. The present finding implies that if bank managers are allowed autonomy and discretion in designing the products and services of the banks, both employee creativity and organisational innovativeness will be improved.

This finding implies that highly innovative organisations and precisely, deposit money banks in Nigeria grant autonomy and freedom to their managers to independently with little or no supervision take decisions on the design and execution of processes of production and service delivery. Work discretion reposes confidence in the employees and motivates them to think out of the box in ways to create value and increase the competitive edge of the deposit money banks. Freedom to decide on processes, product and service enables the managers engage in innovative thoughts and strategies which in turn promotes aggregate organisational innovativeness, efficiency, productivity and high performance. The present study concludes that work discretion form of employee empowerment was a plausible tool in the achievement of innovativeness in deposit money bank. Thus, deposit money banks and other profit-oriented organisations should encourage independence in product, process and service-related decisions by their managers as a means of ensuring personal, unit and organisational innovativeness.

CONCLUSIONS

Considering the research interest and the empirical finding of the present research, its conclusion is drawn from extant literature and based on the present finding. Thus, the study concludes that; Ability to grant work discretion and independence in decision making by deposit money bank managers will help increase both product, process and service innovativeness which will in turn guarantee growth, development and expansion of deposit money banks in Nigeria. Employee

empowerment as a psychological construct improves organisational construct in deposit money banks thereby improving company growth and efficiency.

RECOMMENDATIONS

In reference to the present findings, some recommendations aimed at providing solutions to the problems that triggered this study are made below:

1. All deposit money banks are encouraged to engage in employee empowerment practices such as information sharing, competence acquisition and full grant of work discretion as a means of improving organisational innovativeness.
2. Deposit money banks and other profit oriented organisations should engage highly motivated and empowered managers in order to initiate and sustain organisational innovativeness which will in turn enhance organisational productivity.
3. Finally, deposit money banks and all profit minded firms should promote conducive and favorable organisational climate and atmosphere in order to ensure that the empowered employees are not inhibited from engaging in innovative skills and behaviours that will enhance company efficiency, growth and effectiveness.

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