ORGANIZATIONAL INNOVATIVENESS AND EMPLOYEE PERFORMANCE IN WATER BOTTLING COMPANIES IN PORT HARCOURT, RIVERS STATE, NIGERIA

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ABSTRACT

This study examined the relationship between organizational innovativeness and employee performance in water bottling companies in Port Harcourt. organizational innovativeness was conceptualized as a unidimensional construct while timeliness, effectiveness and efficiency were used as measures of the dependent variable. The study adopted the cross-sectional survey in its investigation of the variables. Primary data was generated through self- administered questionnaire. A sample of one hundred and seventeen (117) respondents was drawn from a population of one hundred and sixty seven (167) respondents across ten selected bottled water companies in Port Harcourt Nigeria, using the Taro Yarnane's formula for sample size determination. The research instrument was validated through supervisor's vetting and approval while the reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. Data generated were analyzed and presented using both descriptive and inferential statistical techniques. The hypotheses were tested using the Spearman rank order correlation Coefficient. Empirical findings revealed that there is a positive significant relationship between organizational innovativeness and employee performance of bottled water companies in Port Harcourt. The result of the findings further revealed that organizational innovativeness gave rise to timeliness, effectiveness, efficiency of bottled water companies in Port Harcourt. The study recommends that Management of bottled water companies should adjust their policy on innovation and create more room for advancement of ideas.

Key Words: Organizational Innovativeness, Employee Performance, Timeliness, Effectiveness, Efficiency

INTRODUCTION

Organizational performance has been one of the important issues for every organization be it profit or non-profit. It is important for mangers to know which factors influence an organization's performance in order for them to take appropriate steps to initiate them. One of the important objectives of any organization should be continuous performance because, only through performance, are organizations able to develop and progress. Knowing the determinants of organizational performance is important especially as it enables the identification of those factors that should be treated with an increased interest in order to improve the organization's performance. One of such determinant of organizational performance is innovativeness of organizations in general and bottled water companies more specifically.

Organizational innovativeness can be viewed as engagement in innovative behaviours, which includes behaviors related to the Innovation process, that is idea generation, idea promotion and idea realization, with the aim of producing innovation (Ramamoorthy, Flood, Slantcry & Sadessail, 2005). Damanpour (2001) argues that innovation is connected to the implementation or adoption of novel ideas and can be categorized as either technological (change in production, services, production processes) or administration (changes in activities, social processes, structures), and either radical or incremental, depending on the extent of their influence on existing products or processes.

Although creativity is central to the whole innovation process, many authors draw a line between creativity and innovation (Amabile, Cont, Lazenby & Harron, 1996; Andersonetal, 2004, Miron, Erez & Naveh 2004, Shalley & Gilson, 2004). Innovation can be seen as a successful implementation of creativity that produces economic value and creativity has to do with ideas production (Scott & Bruce 2004). Therefore, it can be argued that every innovation requires creativity, but creativity does not necessarily lead to innovation. Organizational innovativeness can thus be argued to cover a broader range of behaviors than creativity. There is no doubt that employees are the main force for organizations and their innovative behaviors are vital for effective innovation performance of an organization. Therefore, the organizations have to take measures to stimulate the innovation willingness of employees and promote their innovation behavior so as improve organizational performance.

A large stream of empirical research has examined the concept of organizational performance using various predictor variables. Achieng, Ochieng and Owuor (2012) studied the effect of job redesign on organizational performance in commercial banks in Kisumu, Kenya. Mildred (2016) studied the effect of Employee Involvement on organizational performance at the Kenyan Medical Research Institute (Centre for Global Health Research) Kisumu. Also, Njiru (2016) carried out a study on the Influence of flexible work practices on organizational performance in public sector: A case of ministry of interior and coordination of National Government, Embu County. Ikon and Chukwu (2018) studied employee engagement and performance of selected private universities in delta State, Nigeria. However, there has been relatively little empirical research reports that details how firms can achieve organizational performance, through innovativeness among bottled water companies in Port Harcourt. Therefore, the purpose of this study was to empirically examine the relationship between organizational innovativeness and employee performance in bottled water companies in Port Harcourt.

Conceptual Framework

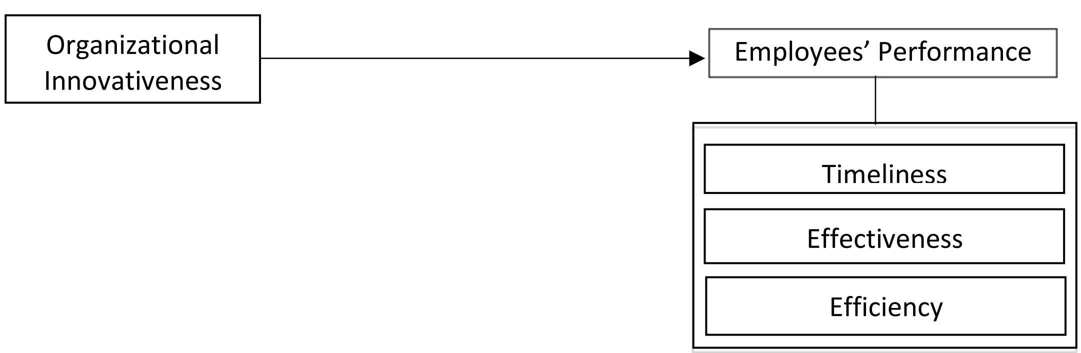

Figure 1: Conceptual framework of the relationship between organizational innovativeness and employee performance

Source: Author's Research Work 2023

To achieve the purpose of this study, the following research questions was put forward.

i. How does organizational innovativeness relate with timeliness of water bottling companies in Port Harcourt?

ii. How does organizational innovativeness relate with effectiveness of water bottling companies in Port Harcourt?

iii. How does organizational innovativeness relate with efficiency of water bottling companies in Port Harcourt?

LITERATURE REVIEW

Theoretical Foundation

The underpinning theory for this study was anchored on the Blue Ocean Theory.

Blue Ocean Theory

The rapid pace of innovation and change in recent years has led scholars and executives to search for an approach that is more dynamic than Harvard Professor Michael Porter's classic live forces. The Blue Ocean Theory, a concept outlined by Kim and Mauhorgne (2005) argues that companies can succeed not by battling competitors, but rather by creating "blue oceans" of uncontested market space. The metaphor of "Blue Oceans" describes the market universe and denotes all the industries not in existence today, the unknown market space, untainted by competition, where demand is created rather than fought over (Kim & Mauhorgne, 2005). In blue oceans, competition is not relevant and there is ample opportunity for growth that is both rapid and profitable. The key concept of Blue Ocean theory is Value Innovation - the simultaneous pursuit of differentiation and low cost, creating value for the buyer, the company, and its employees, thus opening up new and uncontested market space (Lilly & Juma, 2014). The aim of value innovation is not to compete, but to make the competition irrelevant by changing the playing field of strategy. Value innovation challenges Porter (1985) idea that successful businesses are either low-cost providers or niche-players. Instead, blue ocean strategy proposes finding value that crosses conventional market segmentation and offering value and lower cost. Blue ocean theory therefore derives its importance in emphasis on disregarding traditional rules and using competition as a benchmark (Kim and Mauborgne, 2005). It encourages organizations to tap into their creativity through innovation to come up with product, process and market innovations that challenge the fundamental principle of conventional strategy, create new and uncontested market space and consequently improve their performance.

Conceptual Review

Concept of Organizational Innovativeness

Innovativeness of employees is measured by the propensity by which they innovate in their work (Miller and Friesen, 1982); their willingness to try new ways which are different from the existing: the enthusiasm to adopt new ideas or new methods to their work operation and the eagerness to implement the innovation strategy in their work (Khandwalla, 1987). Innovativeness reflects a firm’s tendency to engage in and support new ideas, novelty, experimentation and creative processes (Lurnpkin and Dess, 1996) that may result in new products, services, or technological processes and which may take the organization to a new paradigm of success (Swiezezek and Ha, 2003). It also implies seeking creative, extraordinary or strange solutions to problems and needs. Schumpeter (1934) considered employees to be essentially a creative activity and entrepreneur as an innovator who carries out new combinations in the field of’ men, money, material, machine and management. Damanpour, (1987), define organizational innovation as the use of new managerial and working concepts and practices. By applying this definition, it is possible to measure not only whether companies have changed their organization (structure and processes) within a defined time period, but also to provide an analysis of the adoption ratios of concrete organizational concepts in different companies and company types (sector, firm size, etc.) and the extent of use within one company. Organizational innovation defined as the implementation of new organizational concepts serve as an indicator for the intra firm diffusion of different organizational practices.

Concept of Employee Performance

The debate on performance measures has been a domain of interest for academicians and practitioners. Employee performance is the ultimate dependent variable of interest for scholars concerned in area of management and also an indicator for evaluating the operational efficiency of a business. Despite the importance of the concept, studies have revealed disparities as to what constitute organizational performance. Venkatraman and Rarnanujan (1986) noted that there are no agreed definitions and measures of employee performance. They argue that the concept has multiple meaning depending on the specific discipline such as the service, production and manufacturing industry. For instance, Delaney and Huselid (1996) placed high emphasize on financial performance which are objective such as accounting measures such as profit per employee, return on sales, productivity per employee or subjective measures (perception of performance relative to similar organizations or relative to product market competitors).

Guest (1997) criticizes the overreliance of financial performance that does not capture the full impact of human resource management on overall performance. The use of subjective measures is a common occurrence in existing studies examining the link between employee empowerment and employee performance (Yang and Choi, 2009). Dess and Robinson (1984) and Venkatraman and Ramanujam (1987) comparing objective and subjective measures of' employee performance revealed that the two methods are appropriate in different situations. In this regard, recent studies have focused on a combination of the different methods in order to avoid bias toward one or the other measure, that is, objective or subjective. The Balanced Scorecard (BSC) proposed by Kaplan and Norton (1996) is the most dominant performance module used world over, It focuses on four major perspectives of performance namely financial performance, customer focus, internal business process and learning and growth. The study utilized the non-financial measures of customer focus, internal business process, learning and growth and corporate social responsibility as the indicators of organization performance.

Measures of Employee performance

Timeliness

Timeliness according to Mayberry, Nicewander, Qin and Billard (2006) can be referred to as the ability to reduce waiting times and sometimes harmful delays to clients by employees in attending to their needs. The scholar went further to emphasize that a high degree of responsiveness with respect to an activity that is not essential in achieving the organizations goals does not contribute to the effectiveness of organizations; hence hindering their ability to become competitive. Timeliness refers to the delivery of value to customers at an appropriate time. This is distinguished from the notion of speed which typically refers to how fast an organization could he in producing and introducing valuable products to the market ahead of its competitors (Mayherry et al., 2006). This simply goes to mean that speeding up the work that is being done does not necessarily translate to responsiveness even though it can certainly yield greater output. However, organizations in their bid to respond to the challenges of environment and influence in business should focus on customer needs, wants and retention ability by being prompt in their service and product delivery.

Effectiveness

Effectiveness is a broad concept that is difficult to measure in organizations. According to (Amah, 2014) the concept of organizational effectiveness is an elusive one that there is no single way of defining it. This may be due to the too many criteria used and the many definitions available for the concept. Veldsman, (1982) defined organizational effectiveness as a qualification attached to an organizations resulting from the comparison from the actual state of the entity against its ideal state. He posits that an organization can either he effective or ineffective. Effective organizations are built on effective individuals who work effectively in groups Lawler. (1972). There are different variables for measuring organizational effectiveness. Maheshwari (1980) said this much when he opined that that organizational effectiveness is a multi-dimensional concept, which has no agreement as to which dimensions are significant and should he used as the basis of the analysis. Effective organisations are built on effective individuals who work effectively in groups Lawler, (1972).

Efficiency Measure

Ogboso & Amah (2016) opines that efficiency refers to the accomplishment of goals with minimum resources or waste. It includes measures such as time minimization, cost minimization, and waste minimization. Speed and time are important resources for any organization and must be seen to seek to maximize speed and minimize time. The way an organization does this indicates how efficient and productive they are. Speed and time were the essence of time and motion studies since the day of scientific management introduced by Taylor that led to management efficiency. They are sources of competitive advantage. Doing the right thing in corporate governance terms is an important, but not a sufficient condition for performance. And doing the wrong thing (e.g. an ineffective audit committee, or lack of independence among the executives) will make it more difficult for an organization to perform but is not a measure of success or lack of it either. The questions relating to organization efficiency are: How effective is the organization in dispatching businesses (including through organization committees in and between meetings) and following up on decisions, does the organization identify and focus on key (not just a long list of) issues and risks facing the organizations.

Empirical Review

Oduyoye, Akinlabi & Gafar (2020) investigated entrepreneurial orientation (pro-activeness& aggressiveness) and profitability of selected water packaging companies in Lagos State, Nigeria. Stratified random sampling techniques were adopted to arrive at a sample size of 554 employees using stratified, proportionate and random sampling techniques. Multiple regression analysis was used for data analysis to analyze the data and test the hypothesis. Findings revealed a positive and significant effect of entrepreneurial orientation dimensions (pro-activeness & aggressiveness) on profitability ($R2 = 0.165$, $p< 0.05$). The authors concluded that entrepreneurial orientation dimensions magnify profitability of selected water packaging firms in Lagos State, Nigeria. Thus, the study recommended that adequate attention be given to the implementation of the various dimensions of entrepreneurial orientation.

Karabulut (2015) empirically investigated how innovation strategy affects firm performance. A sample of 197 Turkish manufacturing firms was selected for the study. Multiple regression was explored for testing of the hypotheses. It was found that innovation strategy is positively correlated ($p < 0.05$) with firm performance. However, innovation strategy has more impact on financial performance more than other dimensions of firm performance. The study concluded that adoption of an innovation strategy aids Turkish manufacturing firms to improve on their financial performance.

Baker and Sinkula (2002); Kim and Mauborgne (2005); Salavou and Lioukas (2003) Oke et al. (2007) found a positive relationship between innovation and firm performance. Baker and Sinkula 2002) found that innovation helps companies deal with the turbulence of the external environment and is therefore one of the key drivers of long term success in business, particularly in dynamic markets. However other studies challenge this view and give conditions under which innovation is successful. According to Danneels (2000) big organizations are more likely to have experience with innovation projects leading to organizational innovation capabilities. Smaller and especially new firms often lack this organizational capability and thus run the risk of engaging in managerial undertakings without experience.

Additionally, empirical studies on the innovation-performance relationship present mixed findings. According to Simpson, Siguaw and Enz (2006), innovation is an expensive and risky activity, with positive outcomes on firm performances but also with negative outcomes, such as increased exposure to market risk, increased costs, employee dissatisfaction or unwarranted changes. Similarly, Wright, Palmer and Perkins (2005), using a sample of small businesses, found that product innovation does not affect performance in benign environment, but has a positive effect on performance in hostile environment. Thus, we hypothesized that;

Ho_1: There is no significant relationship between organizational innovativeness and timeliness of water bottling companies in Port Harcourt.

Ho_2: There is no significant relationship between organizational innovativeness and effectiveness of water bottling companies in Port Harcourt.

Ho_3: There is no significant relationship between organizational innovativeness and efficiency of water bottling companies in Port Harcourt.

METHODOLOGY

Research methodology provides a thorough account of the design to be used in the collection and analysis of data. Thus, a Baridam (2007) describes research design as a model of proof that allows the researcher to draw inferences concerning casual relationships among variables under investigation. Similarly, Asika (2006) views it as the procedure, technique and guide on how research work will be carried out. The study adopted the cross-sectional survey in its investigation of the variables. Primary data was generated through self- administered questionnaire. A sample of one hundred and seventeen (117) respondents was drawn from a population of one hundred and sixty seven (167) respondents across ten selected bottled water companies in Port Harcourt Nigeria, using the Taro Yarnane's formula for sample size determination. The research instrument was validated through supervisor's vetting and approval while the reliability of the instrument was achieved by the use of the Cronbach Alpha coefficient with all the items scoring above 0.70. Data generated were analyzed and presented using both descriptive and inferential statistical techniques. The hypotheses were tested using the Spearman rank order correlation Coefficient.

DATA ANALYSIS

Descriptive Statistics

In this section, the output of the primary data was presented. Analysis was carried out on individual variables and measures. Mean scores and standard deviations are also illustrated.

Table 1: Descriptive Statistics for the Study Variables

	N	Minimum	Maximum	Mean	Std. Deviation
Organizational Innovativeness	117	1.00	2.00	3.4625	.75773
Timeliness	117	1.00	2.00	3.5412	1.02042
Effectiveness	117	1.00	2.00	3.7320	.75884
Efficiency	117	1.00	2.00	3.3608	1.03391
Valid N (list wise)	117				

Source: Research Data, 2022, (SPSS output version 21.0)

Table 1 above illustrates the descriptive statistics for the Study Variables which are Organizational Innovativeness, Timeliness, Effectiveness and Efficiency with mean scores of' 3.4625, 3.5412, 3.7320 and 3.3608.

Bivariate Analysis (Test of Research Hypotheses)

The bivariate level of analysis for this study is concerned with the presentation of the results for the tests of the hypothetical statements of null significant association between organizational innovativeness and employee performance of water bottling companies in Port Harcourt, Rivers State, the associations in this section are tested using the Spearman Rank Order Correlation Coefficient at a 95% confidence interval. The study adopts a criterion and significance value of 0.05, based on its level of confidence (95%). **Decision rule:** The decision rule which applies for all bivariate test outcomes is stated as follows: where $P < 0.05$, reject hypothesis on the basis or evidence significant relationship; and where $P > 0.05$, accept hypothesis on the basis of insignificant relationship between the variables.

Relationship between organizational innovativeness and the Measures of Employee Performance

Table 2: Correlations for organizational innovativeness and the Measures of Employee Performance

			Organizational Innovativeness	Timeliness	Effectiveness	Efficiency
Spearman's rho	Organizational Innovativeness	Correlation Coefficient	1.000	.946**	.754	.934
		Sig.(2- tailed)	.	.000	.000	.000
		N	117	117	117	117
	Timeliness	Correlation Coefficient	.946	1.000	.676**	.914**
		Sig. (2-tailed)	.000	.	.000	.000
		N	117	117	117	117
	Effectiveness	Correlation Coefficient	.754	.676**	1.000	.774**
		Sig. (2-tailed)	.000	.000	.	.001
		N	117	117	117	117
	Efficiency	Correlation Coefficient	. 934	.914**	.774**	1.000
		Sig.(2-tailed)	.000	.000	.001	.
		N	117	117	117	117

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

Source: Research Data 2022, (SPSS output version 21.0)

Table 2 illustrates the test for the three previously postulated bivariate hypothetical statements. The results show that for

Ho_1: There is no significant relationship between organizational innovativeness and timeliness of bottled water companies in Port Harcourt.

The correlation coefficient (r) shows that there is a significant and positive relationship between organizational innovativeness and timeliness. The rho value 0.946 indicates this relationship and it is significant at p $0.000<0.05$. The correlation coefficient represents a very high correlation indicating a very strong relationship. Therefore, based on empirical findings the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between organizational innovativeness and timeliness of bottled water companies in Port Harcourt.

Ho$_2$: There is no significant relationship between organizational innovativeness and effectiveness of bottled water companies in Port Harcourt

The correlation coefficient (r) shows that there is a significant and positive relationship between organizational innovativeness and effectiveness of bottled water companies in Port Harcourt. The rho value 0.754 indicates this relationship and it is significant at $p=0.000<0.05$. The correlation coefficient represents a high correlation indicating a strong relationship. Therefore, based on empirical findings the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between organizational innovativeness and effectiveness of bottled water companies in Port Harcourt.

Ho$_3$: There is no significant relationship between organizational innovativeness and efficiency of bottled water companies in Port Harcourt (r 0.934, p=0.000 <0.05).

The correlation coefficient (r) shows that there is a significant and positive relationship between organizational innovativeness and efficiency of bottled water companies in Port Harcourt. The rho value 0.934 indicates this relationship and it is significant at p 0.000<0.05. The correlation coefficient represents a very high correlation indicating a very strong relationship. Therefore, based on empirical findings the null hypothesis earlier stated is hereby rejected and the alternate upheld. Thus, there is a significant relationship between organizational innovativeness and efficiency of bottled water companies in Port Harcourt.

DISCUSSION OF FINDINGS

This study using descriptive and inferential statistical methods investigated the relationship between organizational innovation and employee performance of bottled water companies in Port Harcourt. The findings revealed a significant positive relationship between organizational innovation and employee performance of bottled water companies in Port Harcourt using the Spearman's rank order correlation tool and at a 95% confidence interval. The findings of this study confirmed that organizational innovation have a positive effect on employee performance of bottled water companies in Port Harcourt. This reinforces

Innovativeness reflects a firm's tendency to engage in and support new ideas, novelty, experimentation and creative processes (Lurnpkin and Dess, 1996) that may result in new products, services, or technological processes and which may take the organization to a new paradigm of success (Swiezezek and Ha, 2003) as explained in the literature review. This is because a well-rewarded employee feels valued by the company. The employee is thus encouraged to work harder and better if they are aware that their well-being is taken seriously by their employers, and that their career and self-development are also being taken care of by their company thus increasing employee performance, (Condly et al, 2005).

Our finding also is in line with the theoretical arguments of Rehman (2009) asserts that the degree of an entrepreneur's innovativeness will decide how far and how deep the innovation will go in work in order to meet both the strategic goal formulated for the work and the requirements from the environment (Hult el al., 2004). And innovativeness represents a basic willingness to depart from existing technologies or practices and venture beyond the current state-of-the-art (Covin el al., 2006). Armstrong (2000) mentions shares gain, stock related rewards and profit sharing as the result of organizational innovation,

More so, Bartol & Liu (2005) argued that management faces numerous challenges in determining how to reward employees. He added that management must balance market competitiveness, internal equity, organizational performance and individual performance considerations. It is important to note that different organizational innovations have different effects on performance indicators. Therefore, Coriat (2001) made attempts to have them in clusters and classify different types of organizational concepts under certain categories (e.g. Wengel et al., 2000, Whittington et al 1999). Based on these approaches, organizational innovation can be differentiated into structural organizational innovations and procedural organizational innovations.

CONCLUSION AND RECOMMENDATIONS

Managing employee performance systems within an organization can be a difficult task and can easily go wrong with extremely serious consequences for both organizational innovation and productivity.

Organizational innovation is hereby seen to have a high effect on employee performance such that the more efficiently an organization manages its products and markets the better the employees will perform. However, focusing on the innovation only [‘or better performance From the employee will not yield much, other aspect like innovation management, marketing the product and advancing employee performance via further course would also be of helping hand. The study concludes that a significant positive relationship exists between organizational innovation and employee performance. Based on the discussion and conclusion above, the following recommendations were hereby made:

1. Management of bottled water companies should adjust their policies on innovation and create more room for advancement of ideas by encouraging employees to share their ideas.

2. 2. Management of bottled water companies should give a listening ear to supervisor, which the supervisor should also encourage the unit head and worker to bring in innovation steps for the both the product and process enhancement. This would encourage the employees on their performance and behaviour in the work environment and market place at large. If this is then pegged on innovation, the employee performance will improve.

3. The management of the water bottling companies are advised to consider proactive measures to sustain positive production innovation on their managers as this is expected to make their workers more responsive in their work.

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