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Exploring the Impact of Management Innovation Dimensions on Firm Performance: A Study of Listed Deposit Money Banks in Nigeria

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Abstract

The survival of any organization depends on its ability to manage and develop itself in terms of innovation. The capacity of a firm to innovate and bring about transformations will determine the degree to which the firm will enter the industry and the economy. However, evidence from literature has shown that DMBs' performance has been slow, due to inability to maintain competitive advantage, decline in productivity, low profitability, and reduced stakeholder satisfaction, which are suggestively due to insufficient s management innovation practices. Extant studies have attempted to elucidate on the challenges of DMBs and the attendant supposed solutions, conversely, most of the extant research focus on developed countries than developing countries, such as Nigeria. Hence, the study examined the effect of management innovation dimensions such as management structure, culture, and practices on performance of listed DMBs in Nigeria. Survey research design was adopted. The population was 403 directors and top-level management staff of listed DMBs in Nigeria. A sample size of 341 was determined using Cochran's formula. Simple random sampling technique was adopted. A validated questionnaire was adopted for data collection. Cronbach's alpha reliability coefficients for the constructs ranged from 0.74 to 0.98. The response rate was 85%. Data were analyzed using descriptive and inferential (multiple) statistics. Findings revealed that management innovation dimensions had significant effect on performance of listed DMBs in Nigeria (Adj.R2 = 0. 812; F (4,335) = 366.910, $p < 0.05$). The study concluded that management innovation dimensions affected the performance of listed DMBs in Nigeria. The study recommended that for superior performance, top level management must seek new ways to innovate how things are done in the organization through the structures, practices and culture.

Keywords: *Management culture, Management innovation, management practices, Management structure, Firm performance.*

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Background to the Study

The perception that banks are solely focused on financial activities such as securing finance, facilitating transactions, and providing loans to individuals and businesses, while serving as intermediaries between the Central Bank and the public, may no longer hold true (Kola-Oyeneyin et al., 2020). In today's rapidly evolving landscape, the primary imperative for banks is to adapt or face obsolescence. The banking industry is experiencing unprecedented disruption driven by technological advancements and evolving customer expectations. The emergence of FinTech companies and the entry of Big Tech firms into financial services have intensified the pressure on traditional banks to modernize and enhance their offerings in order to stay competitive (Oyekanmi, 2020). Moreover, the management structure within banks is shifting towards a more centralized and risk-focused approach. This shift is influenced by heightened regulatory scrutiny and the pursuit of improved efficiency and cost-effectiveness. According to a report by McKinsey (2018), large banks are increasingly adopting a centralized structure, with decision-making consolidated and greater integration among business units. This transformation has resulted in a reduction in the number of senior executives and an increased emphasis on centralized risk management processes.

Despite its significance to economic growth, the banking industry is currently experiencing suboptimal returns and sluggish growth (Dietz et al., 2018). Globally, the return on equity (ROE) in 2018 narrowly ranged between 8% and 10%, a level that was considered the industry's cost of equity. The situation worsened by fall 2020, with the industry trading at a historic low of 50% discount to the broader market, and 79% of banks trading below their book value (McKinsey Global Banking Annual Review, 2020). Within the global banking sector, revenue grew by 10% from 2017 to reach $5.5 trillion in 2019, with retail banking driving a substantial portion of this growth while capital markets contributed the least. Although the industry's cost-to-income ratio improved from 56.6% in 2014 to 54.4% in 2019, the implementation of new compliance measures and additional functions has offset cost improvements driven by automation (McKinsey Global Banking Annual Review, 2020).

In the United States, there has been a significant increase in the number of deposit money banks, leading to heightened competition among them. The Federal Reserve Bank of St. Louis (2022) reported that banks have resorted to offering more attractive products and services and embracing technology to increase the convenience and efficiency of banking services. Meanwhile, in Europe, there has been a consolidation of the banking sector through notable mergers and acquisitions. This has resulted in a smaller number of banks operating in the region. European banks are also facing challenges with profitability, as indicated by a decline in the return on equity (ROE) from 6.1% in 2018 to 5.4% in 2019 (European Banking Transformation, 2020). In the United Kingdom, the banking sector is still dominated by a few large and traditional deposit money banks, namely HSBC, Barclays, Lloyds, RBS, and Santander. These banks hold a significant market share, accounting for over 70% of the UK banking market (Bank of England, 2019). However, the COVID-19 pandemic had a significant impact on the profitability of UK deposit money banks. In 2020, during the pandemic, these banks experienced a 22% decrease in profits compared to the previous year (Bank of England, 2021). According to a report by McKinsey in 2021, Asia's banking sector

has been experiencing significant revenue growth, surpassing both Europe and North America. The average annual growth rate of banking revenues in Asia has been 7.2% since 2011. However, some smaller banks in Asia have faced challenges maintaining profitability. In Singapore, several banks reported a decline in profits in 2020, leading the government to introduce measures to support small and medium-sized banks (Bloomberg, 2020).

In Africa, after a period of recapitalization that caused a 1.8% decrease in return on equity (ROE) in 2018, the industry rebounded, and majority of the participating banks (74%) reported an increase in ROE from 17.9% in 2018 to 20% in 2019. However, the industry's cost-to-income ratio slightly dropped from an average of 53% in the previous three years to 51% in 2019 (World Bank Group, 2020). There are concerns in Africa regarding the declining trend of banks across the continent, which can be attributed to factors such as tightening regulations, mergers and acquisitions, liquidations, and collapses. Kenya has experienced ten completed mergers and acquisition deals and two collapses since 2016. In Nigeria, the number of banks has significantly decreased from 89 in 2004 to only 27 remaining (World Bank Group, 2020).

The banking sector in Nigeria has managed to thrive despite the challenges posed by a sluggish economy characterized by declining real gross domestic product (GDP) growth rates, rising inflation, high unemployment rates, increased competitive intensity, ongoing pandemic constraints, currency devaluation, and other macroeconomic challenges, as highlighted by Kola-Oyeneyin and Kuyoro (2020). Although the earnings of banks in the sector have shown a compound annual growth rate of approximately 23.5% over the past decade, the actual growth in real terms has been significantly lower at around 12%. This indicates that while there has been nominal growth, the sector has not fully realized its potential in terms of real economic impact (Kola-Oyeneyin et al., 2020).

One of the key obstacles faced by banks in Nigeria is their limited ability to effectively leverage technology investments to drive growth. While many banks have made substantial investments in technology programs, there is often a lack of corresponding changes in internal systems, structure, and practices. This hinders the banks from fully harnessing the potential benefits and efficiencies offered by technology. As a result, the transformative power of these investments is not fully realized, and banks are unable to maximize their growth opportunities. Overall, while the Nigerian banking sector has shown resilience in the face of economic challenges, there is a need for banks to align their technology investments with organizational changes to fully capitalize on the potential for growth and development in the sector.

Management innovation (MI) introduces a new structure, process, system, program, or practice in an organisation or its units. Some researchers have emphasized the importance of management innovation for firm performance, either as a complement technological innovation (Damanpour, Walker & Avellaneda, 2009) or an independent phenomenon (Mol & Birkinshaw, 2009). Management innovation also referred to as administrative, organisational, and management innovation as they sometimes overlap (Damanpour & Aravind, 2012) is scientifically robust, yet it has not gotten enough recognition as a recipe for

improving competitiveness and performance in organisations as much as technological innovation especially in Nigeria. More recently, some Nigerian banks diversified and restructured into holding companies. Currently, there are four holding companies in Nigeria including FCMB Group Plc, Stanbic IBTC Holdings Plc, FBN Holdings Plc and GT Co. This could be a strategic movement by the banks to explore other revenue sources, and branch into territories in search of new market growth (Oyekanmi, 2020).

Articles on management innovation only make about 3% to 7% of the sampled innovation articles (Crossan & Apaydin, 2010; Keupp et al., 2012). This demonstrates restrictive conceptualization of innovation as a technological based phenomenon, when several studies have recognised how management innovation not only forms a prerequisite for the successful introduction of technological innovations but can also enable sustained performance and growth in an organisation (Birkinshaw et al., 2008; Damanpour & Aravind, 2012; Volberda et al., 2013).

Existing studies have researched on the concept of management innovation (Birkinshaw et al., 2008; Ignacio et al., 2012, 2009; Mol & Birkinshaw, 2010) and its diffusion within and outside the organisation (Ansari et al., 2010). Many of these researchers called for empirical insights on the impact of management innovation on firm performance (Harder, 2011; Ansari et al., 2010) and how long it takes to reap the benefits from management innovation (Birkinshaw et al., 2008).

Most of the studies that have shown interest in bridging these gaps proved positive relationships between management innovation and performance but mainly using short term measures such as profitability. In addition, such studies focused more on the manufacturing sector than the service sector. The environment in which these studies have taken place also provides the benefit of a more organised survey data set for in-depth analysis given the level of development in these countries (Hervas-olivas et al., 2016; Khosravi, Newton, & Rezvani, 2019; Krasnicka et al., 2018; Nemlioglu & Mallick, 2017). Despite the significance of the banking sector, very few, if any, have been carried out in this area, let alone in a developing country such as Nigeria. Asides from the call for research into the influence of management innovation on firm performance (Harder, 2011), Walker et al. (2015) suggested further studies on the nature of management innovation in the service sector and how the structure of the service industry differs from manufacturing. Hence, there is a knowledge gap, and this study filled the gap between management innovation and firm performance in developing countries by examining the effect of management innovation dimensions on performance of listed Deposit Money Banks (DMBs) in Nigeria.

Literature Review

This section focused on concepts of management innovation, management structure, management culture, management practices and performance along theoretical, conceptual and empirical lines.

Management Innovation

The concept of management innovation has been addressed in various forms by different scholars in the literature. To differentiate it from technological innovation, some have referred to it as non-technological innovation (Camison & Villa-Lopez, 2014; Mothe & Thi, 2010), while others have also termed it as organizational innovation (Naciba et al., 2014; Camison & Villa-Lopez, 2014), administrative innovation (Damanpour & Aravind, 2012; Rahmah et al., 2020), or soft innovation (Den Hertog et al., 2006). Management innovation is being defined as a marked departure from traditional management principles, processes, and practices or a departure from customary organizational forms that significantly alters the way the work of management is performed (Hamel, 2006).

According to Hargrave and Van de Ven (2006), this change can be in the form, quality, or state over time of the management activities in an organization, where the change is a novel or unprecedented departure from the past. The idea of novelty is distinguished by Birkinshaw et al. (2008) as either 'new to the state of the art' or 'new to the organization'. The former is considered to have no known precedents and analyzed at a management level or the world at large; while the latter is mostly discussed at the firm level. Consequently, Birkinshaw et al. (2008), define management innovation as the invention and implementation of a management practice, process, structure, or technique that is new to the state of the art and is intended to further organizational goals. In this way, management innovation is a rational act that is embarked upon mainly for improving organizational performance. Therefore, for the purpose of this study management innovation is defined as a change in the managerial structures, practices and culture that is new to the firm/and or industry with the intention of enhancing firm performance. To this study, management innovation is measured via sub-variables of management structure, managerial processes, managerial practices and management culture which are discussed below.

Management structure, also known as organizational structure, has been simply described as how organizations arrange communication, and align and harness effort from their members (Birkinshaw et al., 2008; Hamel, 2007). In a much broader sense, it deals with the formal system of task and reporting relationships that control, coordinates, and motivates employees so that they cooperate to achieve an organization's goals (Tran & Tian, 2013; Underdown, 2012). A typical structure consists of job positions, their relationships to each other and accountabilities for the process and sub-process deliverables (Andrews, 2012; Tran & Tian, 2013) as can be visualized in an organizational chart. Greenberg (2011) closely aligned with this description that regards it as a formal configuration between individuals and groups regarding the allocation of tasks, responsibilities, and authority within the organisation. Hence, providing the form for the business to fulfil its function in the environment.

Managerial practices more broadly refer to symbolic and material activities that reflect changes in management work to set directions, make decisions, coordinate activities, and motivate people (Ansari et al., 2014). In other words, it refers to what managers do as part of their job on a day-to-day basis setting objectives and associated procedures, arranging tasks and functions, developing talent, and meeting different demands from stakeholders

Birkinshaw et al., 2008; Mol & Birkinshaw, 2009). Managerial Practices will be taken to be what managers do as part of their job on a day-to-day basis setting objectives and associated procedures, arranging tasks and functions, developing talent, and meeting different demands from stakeholders as defined by Mol and Birkinshaw (2009).

Management culture can be simply described as the ways in which things are done in an organization (Schneider, 2000). It is the embodiment of systems, beliefs, norms, ideologies, myths and rituals that can motivate people and can become valuable source of efficiency and effectiveness (Sudarsanam, 2010). Management culture is a set of shared notions that separate one organization from other organizations (Rajaee Pour, & Lafti, 2010). Members of the organization have a common understanding of those set of values, beliefs, concepts, deductions, and thinking methods which influences organizational behavior (Dargahi et al., 2010; Schein, 2004). This study adopts the definition of management culture given by Kras´nicka, et al. (2018), as the culture supportive of innovation and understood as the social and cognitive environment of an enterprise, shared views about the reality, shared convictions and systems of values that are reflected in consistent employee behaviour.

Firm Performance

Firm performance is explained as the ability to offer continuous services of outstanding sustainable quality over a lengthy period of time (Khalil et al., 2019). It is determined by the gaps between expectations and performance along the quality parameters (Iqbal et al., 2021). Valdez-Juárez and Castillo-Vergara (2020) defined firm performance as "the overall appraisal of a given service firm that emerges from comparing that business's performance with consumers' general expectations of how firms in that industry should perform." Thus, firm performance may be defined as the gap between customer expectations and perceived service (Zahra et al., 2019). When expectations exceed performance, perceived quality is less than adequate, and customer dissatisfaction arises (Kareem et al., 2021).

Management Innovation and Firm Performance

The study of Camisón and Villar-López (2014), discovered that organisational innovation favours the development of product and process innovation capabilities. While organisational innovation positively affects the development of process innovation capabilities directly, process innovation capabilities mediate the relationship between organisational innovation and product innovation capabilities. Rajapathirana and Hui (2018) study indicated similar support for the results of Camison and Villar-Lopez (2014), highlighting that companies with higher innovation capabilities have positively influenced firm performance. The findings of Walker et al. (2015) also indicate a positive effect between management innovation and firm performance. They also added that the direction and strength of the effect of management innovation on performance do not differ from that of technological innovation, and the sector (manufacturing vs service) and construct measurement (both innovation and performance) moderate the management innovation-performance relationship. Similarly, Tuan et al. (2016) study, demonstrated that there are positive effects of process, marketing, and organizational innovations on firm performance in supporting firms. The higher the level of innovation activities, the greater the innovative performance. Consequently, the larger level of process,

organization and marketing innovation activities are, the higher level of innovative performance is likely to be. The higher level of process, organization and marketing innovative performance, the better level of firm performances is likely to be.

On the other hand, Magnier-Watanabe and Benton (2017), found that there was no direct effect of management innovation on firm performance except when mediated by tacit and explicit knowledge. Johannes (2014) could not draw conclusions about the performance implications of management innovation for firms in the Chinese biopharmaceutical industry. Nemlioglu and Mallick (2017), studied how managerial practices matter in innovation and firm performance relations with new evidence from the UK. The paper finds an inverse U-shaped relationship between intangible assets and performance, supporting the Schumpeterian theory of creative destruction. The results indicated that firms that jointly focus on R&D activities with better managerial practices positively impact their performance. Also, higher intangible assets are only beneficial in improving firm performance when combined with R&D activity in the post-crisis period. In contrast, in the pre-crisis period, intangibles did not reflect their actual valuation, which became apparent in the post-crisis period, explaining the mixed effect on firm performance. Moreover, the impact of leverage on firm performance was negative over the sample period, as expected. However, firms with better managerial practices and innovative activities positively benefit from higher leverage.

Research Conceptual Model

The study was conceptualized as shown in the model below:

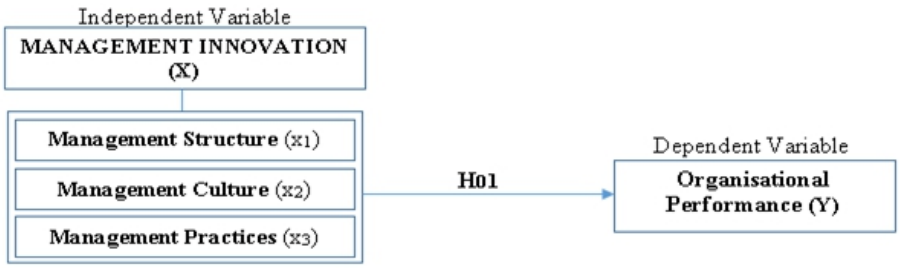

Figure 1: Research Model (2023)

Figure 1 above shows the research model which indicates the interaction between the independent variable of management innovation dimensions (management structure, management culture and management practices) and the dependent variable of firm performance.

Theoretical Review

This study is anchored on Dynamic Capability Innovation Theory (DCIT) as baseline theory for this study which was first introduced by David Teece and Gary Pisano in 1994. The dynamic capability innovation theory describes antecedent organisational and strategic routines by which managers alter their resources base to generate new value-creating strategies and focus on management ability to demonstrate timely responsiveness to market

dynamics and speedy management innovation implementation. Additionally, successful companies can effectively coordinate and redeploy internal and external competence.

Supporting the DCIT, Di Stefano (2010) asserts that the Dynamic Capability Innovation Theory it is one of the most active research areas in strategic management, with publications in business and management journals at a rate of more than 100 per year. According to Zahra et al., (2006), dynamic capability's theoretical and practical importance in explaining competitive advantage in different market environments has led to broad interest in the approach. Additionally, the variation in dynamic capability's research has led it to be a very vibrant field with an enormous scope (Di Stefano et al., 2010).

Despite its popularity and applicability in producing a world view and manner of explanation, the Dynamic Capability Innovation Theory has fundamental limits. Critiques of the Dynamic Capability Innovation Theory claim that its approach lacks a clear theoretical foundation (Arend & Bromiley, 2009) and clarity regarding its most essential aspects, including how they are defined (Di Stefano et al., 2010) and various assumptions adopted by theorists (Arend & Bromiley, 2009). According to Zahra et al. (2006), the most significant source of confusion comes from the disagreement about whether a dynamic capability refers to substantive capabilities in volatile environments or to the organisation's ability to alter existing substantive capabilities, regardless of the volatility. The inconsistencies regarding its foundations can limit fruitful conversation, hamper progress, prevent empirical research and lead to illogical (Arend & Bromiley, 2009). Returning to the point that the dynamic capability theory lacks a clear theoretical foundation, an interesting point was made by (Arend & Bromiley, 2009), who argued that organisational change theories should also explain when organisations do not change. Thus, the dynamic capability innovation theory is adjudged appropriate nexus in explaining the role of management innovation on firm performance.

Methodology

Survey research design was adopted. The population was 403 directors and top-level management staff of listed DMBs in Nigeria. A sample size of 341 was determined using Cochran's formula. Simple random sampling technique was adopted. A validated questionnaire was adopted for data collection. Cronbach's alpha reliability coefficients for the constructs ranged from 0.74 to 0.98. The response rate was 85%. Data were analyzed using descriptive and inferential (multiple) statistics. The hypothesis was tested using multiple regression approach. The principal factors investigated were measured on a six-point scale with anchors ranging from Very High (VH) to Very Low (VL), for the independent variables and dependent variable respectively. Multiple regression equation developed along the dependent and independent variables. Thus, the models can be represented as follows:

Functional Relationship

In this study, there are two constructs: dependent and independent variables. The independent variable is management innovation measured by management structure, management culture and management practices, while the dependent variable firm performance is measured as a whole. The operational model for the study variables is denoted in the equations below:

$Y = f(X)$

Y = Dependent Variable (Firm Performance)

X = Independent Variable (Management Innovation)

Where:

$X = (x_1, x_2, x_3)$

x_1 = Management Structure (MGTS)

x_2 = Management Culture (MGTC)

x_3 = Management Practices (MGP)

Regression Model

The model formulated for the hypothesis is written as:

Hypothesis

$FP = \beta_0 + \beta_1 MGTS + \beta_1 MGTC + \beta_1 MGP + ei$ ..... Regression equation 1

Where:

βo = is the intercept

β_1 = Beta coefficients

e_i = error term

Data Analysis, Results and Discussion

A total of 403 copies of questionnaire were administered to the directors and top-level management staff of Listed DMBs in Nigeria. Out of 403 copies of questionnaire that were distributed, 341 were correctly filled and returned, which represents 85%. According to Bryman and Bell (2011) a response rate of ≥50% is acceptable to analyse the results of a study.

Restatement of Research Objective and Research Question

Objective: investigated the effect of management innovation dimensions on performance

Research question: What is the effect of management innovation dimensions on performance?

The objective investigated the effect of management innovation dimensions on performance. On a six-point Likert scale, the respondents were requested to rate their perception of various items about management innovation components (management structure, management culture and managerial practices) and performance of Listed DMBs in Nigeria.

Restatement of Hypothesis

H0: The effect of management innovation dimensions does not significantly affect performance of the listed DMBs in Nigeria.

A multiple linear regression analysis was used to test the hypothesis. The independent variable was management innovation dimensions while the dependent variable was firm performance. In the analysis, data for management innovation dimensions were created by adding together

responses of all the items under the various components to generate independent scores for each component. For firm performance, responses of all items for each variable were added together to create index of firm performance. The index of firm performance (as dependent variable) is thereafter regress on scores (index) of management innovation dimensions components (as independent variables). The results of the analysis and parameter estimates obtained are presented in Table 1 below.

Table 1: Summary of multiple regression analysis for effect of Management innovation Components on Firm Performance of Selected Deposit Money Banks in Lagos State, Nigeria.

N	Model	*B*	T	Sig.	ANOVA	R	Adj R^2	F (4, 335)
341	(Constant)	8.480	4.175	.000	0.000[b]	.902[a]	.812	366.910
	Management Structure	.449	3.836	.000				
	Managerial Practices	.855	6.796	.000				
	Management Culture	1.782	12.035	.000				
	a. Dependent Variable: **Firm Performance**							
	b. Predictors: (Constant), Management Culture, Management Structure and Managerial Practices							

Source: Researcher's Field Survey, 2023

Table 1 shows the multiple regression analysis results for the management innovation dimensions on firm performance of selected Deposit Money Banks in Lagos State, Nigeria as a case study. The results showed that management structure ($\beta = 0.449$, $t = 3.836$, $p<0.05$), managerial practices ($\beta = 0.855$, $t = 6.796$, $p<0.05$) and managerial culture ($\beta = 1.782$, $t = 12.035$, $p<0.05$) have positive and significant effect on firm performance of selected Deposit Money Banks in Lagos State, Nigeria. The results of the analysis revealed that all the dimensions of management innovation (management structure, managerial practices and management culture) have significant effect on firm performance of listed Deposit Money Banks in Lagos State, Nigeria. This indicates that management structure, managerial practices and management culture are all significant determinants of firm performance among the selected Deposit Money Banks surveyed in Lagos State, Nigeria.

The *R* value of 0.902 supports this result and it indicates that management innovation dimensions have a very strong and positive relationship with the firm performance of selected Deposit Money Banks in Lagos State, Nigeria. This suggests that management innovation can be an effective strategy for increasing firm performance. The coefficient of multiple determination Adj. $R^2 = 0.812$ indicates that about 81.2% variation that occurs in the firm performance of listed Deposit Money Banks in Lagos State can be accounted for by the components of management innovation dimensions while the remaining 18.8% changes that occurs is accounted for by other variables not captured in the model. This indicates that, while management innovation is an important factor in determining firm performance, other variables also influence firm performance. The predictive and prescriptive multiple regression models are thus expressed:

$FP = 8.480 + 0.449MGTS + 0.855MGP + 1.782MGTC + U_i$--------Eqn 1 (Predictive Model)

$FP = 8.480 + 0.449MGTS + 0.855MGP + 1.782MGTC + U_i$------Eqn 1 (Prescriptive Model)

Where:

MGTS = Management Structure
MGTC = Management Culture
MGP = Managerial Practices
FP = Firm performance

The regression model indicates that if management innovation factors were held constant at zero, the performance of the selected Deposit Money Banks in Lagos State, Nigeria would be 8.480. From the analysis, predictive and prescriptive models both show that all dimensions of management innovation (management structure, managerial practices and management culture) have a significant positive effect on firm performance. This means that DMBs in Lagos State should pay close attention to the four components of management innovation in order to enhance firm performance. The prescriptive model further revealed that when all other variables of management innovation dimensions (management structure, managerial practices and management culture) are improved by one-unit, firm performance would also increase by 0.449, 0.855, 0.502 and 1.782 respectively. The prescriptive models showed that an improvement in the management innovation variables, such as management structure, managerial practices and management culture would lead to an increase in the firm performance of the selected Deposit Money Banks in Lagos State, Nigeria. This suggests that Deposit Money Banks in Lagos State should pay close attention to these components of management innovation that can improve their firm performance. In addition, the F-statistics (df = 4,335) = 366.910 at p = 0.000 ($p<0.05$) indicates that the overall model is significant in predicting the effect of management innovation dimensions on firm performance which implies that management innovation plays a significant role in driving firm performance and that companies should consider implementing effective management innovation strategies to increase their firm performance. Therefore, the null hypothesis ($H_0$1) which states that management innovation dimensions have no significant effect on performance of listed Deposit Money Banks in Lagos State, Nigeria was rejected.

Discussion

The multiple regression analysis of management innovation dimensions and performance of listed Deposit Money Banks in Lagos State, Nigeria indicated that management innovation dimensions have a positive and significant effect on performance. Thus, the combination of the independent variables was significant in predicting performance of the selected Money Deposit Banks. In other words, management structure, management culture and managerial practices have statistically significant effects as independent variables and were significant in predicting the effect of management innovation dimensions on the dependent variable, performance. Thus, this finding provides implications conceptually, empirically and theoretically. From a conceptual standpoint, the definitions and explanations of the study's ideas offer a clear conceptual perspective on the research.

Empirically, the result affirms the study of several scholars (Aziz et al., 2016; Bezdrob & Sunje, 2014; Boyce et al., 2015) that investigated the effect of management innovation and

firm performance which found out that management innovation had significant effect of firm performance. Furthermore, research by Breznik (2018) and Camison and Villar-Lopez (2014) found that business size had a strong beneficial influence on managerial innovation dimensions and firm success. Camuffo and Wilhelm (2016), observed that company size had a strong positive moderating influence on management innovation dimensions and firm performance, as did Jaafreh and Al-abedallat (2013).

Nonetheless, research by Dauda and Akingbade (2011), Jung (2014), Nemlioglu and Mallick (2017), Nieves and Segarra-Cipres (2015), and Volberda (2013), indicated a negative relationship between company size, managerial innovation characteristics, and firm performance. Furthermore, Roehrich et al. (2019) discovered that company size did not substantially moderate management innovation dimensions did not favorably affect firm productivity in their study. Also, Intezari et al. (2017) found that business size had no beneficial effect on managerial innovation dimensions or organizational productivity. None of the studies above have discussed management innovation in the banking sector considering the impact of size. Hervas-olivas, et al (2016) who studied the pay-off of management innovation in small and medium enterprises, limited the study to Spain. They clearly call for future studies to explore the results in other countries using a similar framework as they expect different results.

Theoretically, this research findings fell in line with the dynamic capability innovation theory which supports the variables of management innovation, management structure, management culture, managerial practices and firm performance. The Dynamic Capability Innovation Theory explains management ability to demonstrate timely responsiveness to market dynamics and speedy management innovation implementation. Additionally, successful companies can effectively coordinate and redeploy internal and external competence. Thus, the dynamic capability innovation theory is an appropriate nexus in explaining the role of management innovation on firm performance. Hence, the extant studies above on management innovation and performance are in agreement and support the positive association that exists between management innovation dimensions and performance.

Conclusion and Recommendations

This study examined the effect of management innovation dimensions on firm performance revealing that management innovation dimensions of management structure, management culture and managerial practices have statistically significant on organizational performance. From antecedents, the study discussed global trends and directions of performance within the DMB industry from a world view, African perspective and concluded by looking at Nigeria. This then took into account the key problems faced by the Nigerian DMBs and how they have affected the industry over the years. The reviewed literature covers the conceptual, empirical, as well as theoretical frameworks on the major variables of the study. Theoretically, the outcome of this study is in line with the dynamic capability innovation theory which is the baseline theory for this study. The dynamic capability innovation theory was adopted to guide this study variables because its perspectives are tied to the focus of the study and the variables that were investigated.

The result of this study contributes empirically to the body of literature in management innovation, and firm performance, which would and equally serve as a reference material for future researchers in management science and other related fields. The study further recommends that for superior performance, top level management must seek new ways to innovate how things are done in the organization through the structures, practices and culture. Similar studies should be conducted among other financial institutions apart from DMBs for comparison and generalization of the findings established in this study. The financial institutions should include micro-finance institutions, corporative societies and Fintech institutions. This is because there are contextual, regulatory and operational differences between DMBs and the other financial institutions.

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