

WORKPLACE INNOVATION STRATEGY AND TECHNOLOGICAL ADVANCEMENT AMONG COMMERCIAL BANKS IN PORT HARCOURT

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ABSTRACT

This study examined the relationship between workplace innovation strategy and technological advancement of commercial banks in Port Harcourt. Objectives of the study were to examine how blue ocean strategy enhances online banking and mobile banking app of commercial banks in Port Harcourt. The study adopted the cross sectional survey research design. The target population for this study comprised of 66 managers from 22 commercial banks in Port Harcourt, which was purposefully adopted as the sample size. Data were collected through primary (questionnaire). A structured questionnaire designed in a modified four point likert scale format was adopted for the collection of data. Spearman Ranking (r) was used for the test of hypotheses via SPSS Version 25.0. Findings revealed that there is a significant relationship between blue ocean strategy and technological advancement of commercial banks in Port Harcourt. The study concluded that workplace innovation strategy enhance technological advancement. The study recommended among others that commercial banks should create a leap in value for both customers and the bank itself. This can be achieved by identifying the factors that customers value most in online and mobile banking services and innovating to deliver those factors in a unique and differentiated way.

Keywords: Workplace innovation strategy, blue ocean strategy, online banking and mobile banking app.

INTRODUCTION

Advancing technologically is one crucial way to remain competitive as long as globalisation and technology cannot be disintegrated from business activities among organisations. Technological advancement denotes the continuous evolution and adoption of new technologies within the workplace to ease operations and performance, effectively and efficiently (Scott-Jackson & Beckinsale, 2018). As pertaining to commercial banks, some significant indicators of technological advancement today are online banking and mobile banking app. New technologies are usually distinguished by their recent creation, release, or acceptance and frequently signify improvements over current approaches. Notwithstanding, the ability to grow and use these tools in a commercial banks can be rooted in their ability to creatively apply diverse workplace innovation strategy. Drawing from the precedents, workplace innovation strategy pertains to intentional approaches and practices employed by organizations to encourage and facilitate innovation in the workplace. Innovation is not a one-time event; rather, it is the result of numerous organizational decision-making processes over an extended period of time, from the stage of idea development to the stage of implementation. By encouraging a culture of innovation and creativity, workplace innovation strategy seek to increase organizational performance, employee engagement, and competitiveness (Omogbe et al., 2022). The objectives of the firm, the sector it operates in, and the particular difficulties it faces all influence workplace innovation initiatives. The secret is to establish a setting that values innovation, accepts change, and is always looking for new and improved methods to accomplish goals. In an organization such as a commercial bank, among others, innovation strategies such as blue ocean strategy can be utilized to spur their technological

advancement. Though, this is yet to be empirically proven, therefore, it stands as the crux for the conduct of this study.

Problem of Study

There are times where an industry lags behind in the development and adoption of new technologies or improve their technologies in the course of carrying out their banking mandate. Poor technological advancement can have significant negative impacts on the productivity and performance of commercial banks. Among others, these could be traceable to the failure of organisations to effectively implement intentional approaches employed by organizations to encourage and facilitate innovation in the workplace with the view of staying competitive. Poor adoption of workplace innovation strategy could hamper the advancement of technology in an organisation. Some organisations fail to accurately identify unmet customer needs or struggle to differentiate its offerings from those of competitors. Others have ineptitude to innovation and as well fail to effectively communicate value proposition to the target market. Ultimately, a poor blue ocean strategy can lead to limited growth prospects and increased competition, as the organization fails to create new demand and instead competes within existing market boundaries. Against this purview, this paper examined the relationship between workplace innovation strategy and technological advancement among commercial banks of Port Harcourt.

Conceptual Framework

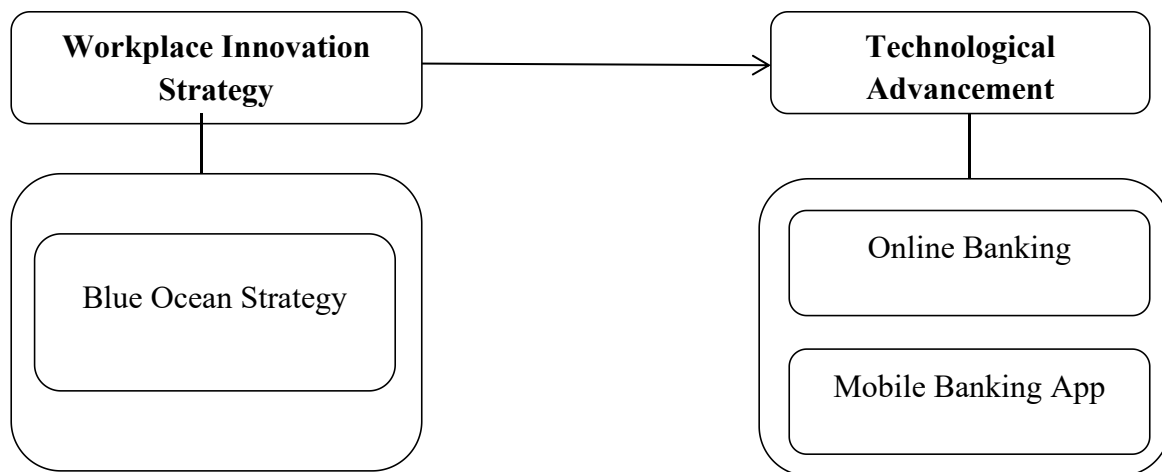


Fig. 1.1: Conceptual Framework Showing Relationship between Workplace Innovation Strategy and technological advancement.

Source: Karim (2020); Researchers' Conceptualisation (2024)

Aim and Objectives

The aim of the study was to examine the relationship between workplace innovation strategy and technological advancement among commercial banks in Port Harcourt. However, specific objectives were to:

1. Ascertain the relationship between blue ocean strategy and online banking among commercial banks in Port Harcourt.
2. Examine the relationship between blue ocean strategy and mobile banking app among commercial banks in Port Harcourt.

Research Questions

1. What is the relationship between blue ocean strategy and online banking among commercial banks in Port Harcourt?
2. What is the relationship between blue ocean strategy and mobile banking app among commercial banks in Port Harcourt?

Hypotheses

In the course of carrying out this study, two (2) null hypotheses were tested which were stated thus:

- Ho₁: There is no significant relationship between blue ocean strategy and online banking among commercial banks in Port Harcourt.
- Ho₂: There is no significant relationship between blue ocean strategy and mobile banking app among commercial banks in Port Harcourt.

Concept of Workplace innovation strategy

Workplace innovation strategy refer to intentional approaches and practices employed by organizations to encourage and facilitate innovation in the workplace (Onikoyi, 2017). These strategies aim to improve organizational effectiveness, employee engagement, and competitiveness by fostering a culture of innovation and creativity. Workplace innovation strategy vary based on organizational goals, industry and the specific challenges an organization faces. The key is to create an environment that nurtures creativity, embraces change, and continuously seeks new and better ways to achieve objectives (Elenkov & Manev, 2017). Innovation is the pulse of any successful organization, and creating a culture of innovation in the workplace is essential for long-term success. By fostering a culture of experimentation, creating an environment that encourages risk-taking, providing employees with the resources they need to innovate, encouraging diverse perspectives and experiences, and embracing a customer-centric approach, an organization can create a workplace that is dynamic, innovative, and well-positioned to succeed in the years ahead. For more discuss, this study dimensionalizes workplace innovation strategy into blue ocean strategies, incremental strategies, and open innovation strategies. In the light of the above, this study measured workplace innovation strategy using blue ocean strategy.

Blue Ocean Strategy: Blue ocean is an entrepreneurship industry term created in 2005 to describe a new market with little competition or barriers standing in the way of innovators (Young, 2022). The term refers to the vast "empty ocean" of market options and opportunities that occur when a new or unknown industry or innovation appears (Blue Ocean Strategy, 2021). The term "blue ocean" was coined by INSEAD business school professors Chan Kim and Renee Mauborgne in their book *Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant* (2005). The authors define blue oceans as those markets associated with high potential profits (Chan & Mauborgne, 2005).

The blue ocean strategy is designed to help organizations break free from the competition in crowded and highly competitive markets by creating new, uncontested market spaces, or "blue oceans," where they can thrive. The core idea of the Blue Ocean Strategy is to shift focus from competing within existing market boundaries ("red oceans") to creating entirely new markets with little or no competition. The Blue Ocean Strategy has been applied across various industries and is particularly relevant for businesses seeking growth and competitive advantage in markets that are saturated or hyper-competitive. It encourages a shift in thinking from competition to innovation and emphasizes creating new opportunities by delivering exceptional value to customers in previously unexplored areas. The blue ocean markets have several characteristics that innovators and entrepreneurs love. A pure blue ocean market has no competitors. A blue ocean market business leader has first-mover advantages, cost advantages in marketing with no competition, the ability to set prices without competitive constraints, and the flexibility to take its offering in various directions.

Concept of Technological Advancement in the Banking Sector

As businesses, both small and large, strive to reach maximum efficiency, technology has become

an increasingly important tool in driving business growth and innovation. Technological advances enable companies of all sizes to automate processes across the board - from managing human resources to optimizing internal communication channels - which helps eliminate resource-handling delays and frustrations encountered with manual solutions (Jones, 2020). This can lead to faster execution of daily operations that result in competitive advantages such as reduced overhead costs, improved organization performance, and increased market shares. In this blog post, we explore the many ways technology contributes to business success. Technological advancement refers to the continuous evolution and adoption of new technologies within the workplace to ease operations and performance, effectively and efficiently (Scott-Jackson & Beckinsale, 2018). Every business entity including commercial bank needs to adapt new technology in order to stay competitive (Monish, 2023). From chatbots and machine learning to cloud computing and automation, technology provides numerous benefits to companies of all sizes. Not only can it improve productivity and efficiency, but it also allows businesses to better understand their customers and create more personalized experiences. As pertaining to commercial banks, some significant indicators of technological advancement today are online banking and mobile banking app.

Online Banking: Online banking allows you to conduct financial transactions via the Internet (Frankenfield, 2023). Online banking makes it possible to conduct banking transactions over the internet, generally through a website or dedicated app (Pomroy, 2023). Online banking is also known as Internet banking or web banking. Online banking offers customers almost every service traditionally available through a local branch including deposits, transfers, and online bill payments. Virtually every banking institution has some form of online banking you can access through a computer or app. With online banking, customers are not required to visit a bank branch to complete most of their basic banking transactions. They can do all of this at their own convenience, wherever they want—at home, at work, or on the go. Online banking can be done using a browser or app. Mobile banking is online banking that is done on a phone or tablet. Using online banking requires a computer, tablet, mobile phone, or other device, plus an Internet connection and a bank or debit card. In order to access the service, you need to register for the bank's online banking service and create a password. Once that's done, they can use the service to do their banking. Banking transactions offered online vary by institution. Most banks generally offer basic services such as transfers and bill payments. Some banks also allow customers to open up new accounts and apply for credit cards through online banking portals. Other functions may include ordering checks, putting stop payments on checks, or reporting a change of address. Checks can be deposited online through a mobile app using remote deposit capture. Enter the check amount, then use the app to take a photo of the front and back of the check to complete the deposit. Online banking typically does not permit the purchase of traveler's checks, bank drafts, or certain wire transfers. It also typically does not permit the completion of certain credit applications, such as for mortgages. These transactions still need to take place face-to-face with a bank representative.

Mobile Banking App: A mobile banking app is a smartphone or tablet application that allows users to access and manage their banking and financial accounts through their mobile devices (Wada, 2022). These apps are provided by banks, credit unions, and financial institutions to offer convenient and secure ways for customers to perform various banking activities without the need to visit a physical branch or use a computer. Mobile banking apps have become increasingly popular due to their ease of use and the ability to access banking services on the go. Mobile banking apps offer a convenient and secure way to manage one's finances on the go, without the need to visit a bank branch or ATM. With a mobile banking app, one can check one's account balances, view transactions, transfer money, pay bills, and do much more, all from the comfort of

your own device. In this blog, we will explore the benefits of mobile banking and how to get started with it.

Theoretical Framework

This study is rooted to resource based view (RBV) theory which was originally proposed by Birger Wernerfelt in 1984, and later developed and refined by Jay B. Barney in 1991; and other scholars (Nir, 2008). The RBV theory posits that a firm’s competitive advantage and performance are driven by its unique resources and capabilities. In the context of banks, it is important to note that workplace innovation strategy, such as blue ocean strategy can lead to the development of unique technological capabilities that provide a competitive edge via their technological advancement in the course of providing their products and services.

Procedure

The study adopted the cross sectional survey research design. The population of the study was 22 commercial banks from Port Harcourt. The sampling for this study was done using purposive sampling so as to reach out to those organizations where data can be easily assessed. Three (3) respondents as a sample was selected from each head branch of the commercial bank in Port Harcourt. This made it a total of 66 as the sample size. Data were collected through primary source (questionnaire). A structured questionnaire titled “Workplace innovation strategy and Technological Advancement Index (WISTAI)”. The questionnaire was designed in a modified four point likert scale with response options: Strongly Agreed (SA) 4, Agreed (A) 3, Disagreed (D) 2, and Strongly Disagreed (DS) 1. The instrument was validated by two organizational behaviour experts. The reliability coefficient of the instrument (0.83) was elicited using Crombach Alpha. 59(89%) out of 66 copies of questionnaires were retrieved during its administration. Spearman Ranking (r) was used for the test of hypotheses in a bivariate format, using SPSS Version 23 at 0.05 level of significance.

Results

Ho₁: There is no significant relationship between blue ocean strategy and online banking among commercial banks in Port Harcourt.

Table 1 Relationship between Blue Ocean Strategy and Online Banking

		Blue Ocean Strategy	Online Banking
Blue Ocean Strategy	Correlation Coefficient	1.000	.637**
	Sig. (2-tailed)	.	.000
	N	59	59
Online Banking	Correlation Coefficient	.637**	1.000
	Sig. (2-tailed)	.000	.
	N	59	59

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

Source: Survey Data, 2024.

Table 1 above shows r value of 0.637 at a significance level of 0.00 which is less than the chosen alpha level of 0.05. Since the significance value 0.000 is less than the alpha level of 0.05, the null hypothesis (Ho₁) which states that there is no significant relationship between blue ocean strategy and online banking among commercial banks in Port Harcourt was rejected and the alternate hypothesis is accepted. This implies that there is a significant relationship between blue ocean strategy and online banking among commercial banks in Port Harcourt.

Ho₂: There is no significant relationship between blue ocean strategy and mobile banking app among commercial banks in Port Harcourt

Table 2 Relationship between Blue Ocean Strategy and Mobile Banking App

		Blue Ocean Strategy	Mobile Banking App
Blue Ocean Strategy	Correlation Coefficient	1.000	.591**
	Sig. (2-tailed)	.	.000
	N	59	59
Mobile Banking App	Correlation Coefficient	.591**	1.000
	Sig. (2-tailed)	.000	.
	N	59	59

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

Source: Survey Data, 2024.

Table 2 above shows r value of 0.591 at a significance level of 0.00 which is less than the chosen alpha level of 0.05. Since the significance value 0.000 is less than the alpha level of 0.05, the null hypothesis (Ho₂) which states that there is no significant relationship between blue ocean strategy and mobile banking app among commercial banks in Port Harcourt was rejected and the alternate hypothesis is accepted. This implies that there is a significant relationship between blue ocean strategy and mobile banking app among commercial banks in Port Harcourt.

Discussion of Findings

The test of analyses revealed that there is a significant relationship between workplace innovation strategy and technological advancement (online banking and mobile banking app) among commercial banks in Port Harcourt. These findings are tandem with the findings of Omoregbe et al. (2022); Reis et al. (2013); Magomed (2023) which position that innovation enhances the technology and performance of organisations. In the light of the above, through blue ocean strategy banks identify and develop innovative technologies which revolutionize the industry. By seeking uncontested market spaces, banks invest in research and development to create unique technological solutions that differentiate them from their competitors. These include the development of advanced digital banking platforms among others such as online banking and mobile banking app. More so, blue ocean strategy impels commercial banks to focus on customer needs and preferences when developing technological advancements. Instead of simply replicating existing technologies, banks are encouraged to understand the pain points of their customers and create innovative solutions that address these issues. This customer-centric approach leads to the development of user-friendly banking apps, personalized financial management tools, and efficient online banking services. Finally, adoption of blue ocean strategy enables commercial banks to form alliances with fintech companies, technology startups, or other organizations that specialize in cutting-edge innovations, thus making them to access external expertise and resources that can accelerate their technological development efforts such as online banking and mobile banking app effectively.

CONCLUSIONS

Based on the analyses of data and discussion of findings, the study concluded that blue ocean strategy enhances technological advancement of commercial banks in Port Harcourt.

RECOMMENDATIONS

Based on the results and conclusions, the following recommendations were made:

1. Commercial banks should create a leap in value for both customers and the bank itself. This can be achieved by identifying the factors that customers value most in online and

mobile banking services and innovating to deliver those factors in a unique and differentiated way.

2. Management of commercial banks should identify non-customers who are not currently using these services and understand their needs and pain points. By targeting non-customers, commercial banks can tap into new segments of the population that have been underserved or overlooked by traditional banking services. This could involve designing simplified and accessible banking solutions for individuals who are unbanked or underbanked, as well as catering to the specific needs of different demographic groups through online banking and mobile banking apps.

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