Managerial Resilience and Organizational Effectiveness of Deposit Money Banks in Rivers State

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Abstract: *This study examined the relationship between managerial resilience and organizational effectiveness of deposit money banks in Rivers State, Nigeria. Cross sectional research design was adopted in studying sixteen (16) of these institutions. Our respondents were managerial employees constituting the population of the study. From the field survey, we retrieved and analyzed seventy (70) copies of questionnaire from the participants; Spearman's rank correlation coefficient statistical tool was used to determine the relationship existing between the variables while the p-value obtained were used to test hypotheses developed for the study. Findings revealed the existence of significant relationship between the dimensions of managerial resilience namely; proactive posture and adaptive capacity and the measures of organizational effectiveness given as productivity and market share. It was then concluded that the resilience of managers of today's business organizations undoubtedly has significant relationship with effectiveness within the organization; thus performance is enhanced for these unique traits. This gave rise to our recommendations for the banks and other business organizations operating in this era of stiff competition; that they should remain proactive to prepare for changes which are prevalent in the market as well as strategically align to adapt where necessary; this way, they will remain competitive and survive in the designated industry as well as promoting effectiveness within the system.*

Keywords*: Proactive Posture, Adaptive Capacity and Organizational Effectiveness*

Introduction

The focus for modern day organizations undoubtedly remains organizational effectiveness driven; which explains how well the organization is competing in its market, how its products and services are brought into the market, its corporate reputation and resultant position it has granted the firm, the company's attractiveness to potential employees, the profitability index of the organization, and its participation in environmental sustainability; summarily, organizational effectiveness answers the question – how well the organization is doing in performing its business.

Organizational effectiveness incorporates a wider concern for the business organization in that a holistic view to business operations delineate corporate success for example; is no longer limited to a few short term measures such as sales, profit etc instead long term concerns of the business unit such as customer life time value is thought about and incorporated in pursuit of short term benefits of profit making, concern for the environment is brought to bear in the organization's daily operations; and as such this holistic view to organizational effectiveness is what is needed if the firm must survive and experience longevity and competitiveness.

Organizational effectiveness is a necessary precondition to success for any corporate entity; to achieve increased and sustainable results in business, the right strategies must be formulated and executed and that with the help of all parties and groups in the organization.

According to Aydin and Ceylan (2009), they advocate that business leaders and managers should engage their people, put the right structure in place; ensure that the predominant culture is adaptive because of incessant changes in the environment of business, the resultant outcome holds Balser and McClusky (2005) will be higher financial performance, higher customer satisfaction, higher employee retention and ultimately increased business results.

The concept organizational effectiveness has become of growing interest to researchers and practitioners (modern organizational managers) and as such various streams of research efforts have been devoted to divulging its antecedents and outcomes to stress its essence in organizations.

From studies above, it is succinctly clear that various streams of research efforts (Ahmed, Sabir, Khosa, Ahmad & Bilal, 2016; Amah, Daminabo-Weje & Dosunmu, 2013; Gochhayat, Giri & Suar, 2017; Podsakoff & MacKenzie, 1997; Schuler & Jackson, 2014; Shoraj & Llaci, 2015) have been exerted on organizational effectiveness; however, there remains very few attempts in relating effectiveness in organizations as derivable from managerial resilience which we suppose has connectivity with such outcome; it is in this regard that this research effort seeks to fill the perceived gap in literature by examining the relationship between managerial resilience and organizational effectiveness of banks in Rivers State, Nigeria.

Concept of Managerial Resilience

Given the importance of resilience for the functioning of individuals, teams, and organizations, there has been growing interest in understanding the construct of resilience across all areas of psychology, as well as within the broader domain of organizational science (Britt, Shen, Sinclair, Grossman & Klieger, 2016).

Fikretoglu and McCreary (2012) noted that most definitions of resilience highlight an individual showing signs of positive adaptation after having gone through significant adversity. Britt, Sinclair and Mc-Fadden (2013) therefore defined resilience as "the demonstration of positive adaptation in the face of significant adversity" (p. 6).

However, when studying employee resilience Benedek, Fullerton and Ursano (2007) advocated that researchers need to document the presence of stressors in the workplace that constitute significant adversity. Such documentation could occur through an analysis of objective features of the work environment (e.g., the presence of traumatic events, documented long work hours over an extended period of time, high levels of noise or crowded work conditions; (Frese & Zapf, 1999) or through consistent employee reports of demands in the work environment that are judged to be of high intensity and/or of a long duration (e.g., multiple employee reports of sustained harassing/abusive supervisor behavior).

One understudied population of employees for resilience research is first responders (e.g., police officers, firefighters, medical trauma teams), who are frequently exposed to significant adversity following disasters (Benedek et al., 2007).

The word resilience comes from the Latin word "resilire" and means to "jump or leap back" (Fletcher & Sarkar, 2013) and was first introduced by Holling (1973) as the ability of a system to absorb disturbance and maintain stability. Traditionally, resilience has been viewed

from two main perspectives. From a physical science perspective, resilience describes how materials resume their shape after movement or alteration, returning to the original equilibrium state (Lazarus, 1993; Luthar, Sawyer & Brown, 2006). From a social-ecological perspective, resilience is "the capacity of a system to absorb disturbance and reorganize while undergoing change so as to still retain essentially the same function, structure, identity, and feedbacks" (Walker, Holling, Carpenter & Kinzig, 2004, p. 1). In either case, resilience has been traditionally defined and measured through two main concepts: adversity and positive adaptation (Fletcher & Sarkar, 2013; Luthar et al., 2006; Luthar & Cicchetti, 2000).

Adversity, in particular, is controversial in that it is a negative loaded concept that would preclude situations were potential stress, novelty, and impending adversity are possible, but not yet present. From a systems perspective, this requires a new definition of adversity in a complex-adaptive system that will allow the systems to capture the signals of impending danger and adaptation prior to failure (Carmeli, Friedman & Tishler, 2013). A newer approach to resilience, closely related the social-ecological definition, is the area of organizational resilience.

Organizational resilience addresses improving decision making by encouraging diversification of capacities so that the organization can be responsive to uncertain future events (Bernard, 2004; Suddaby, 2010). This requires several levels of resilience that include: states, traits, processes, and outcomes (Fletcher & Sarkar, 2013). In addition, organizational resilience recognizes organizations as complex, dynamic-adaptive social-technical systems experiencing continuous change, and where the new equilibrium state from adaptation is uncertain and variable. Organizations achieve resilient performance by building resilient qualities and traits at both the structural and individual levels.

Managerial resilience connotes defining and identifying resilient traits at individual levels and how these traits can improve performance; this includes structural qualities and individual behaviors that can detect and adapt to system degradation prior to collapse/failure. These traits include: local innovations, flexibility, improvisation, adaptability, and problem solving.

Resilience, which is defined as the capacity to rebound from adversity strengthened and more resourceful (Sutcliffe & Vogus, 2003), is fundamental to human and organizational functioning and viability. Coping and bouncing back from experiences of failure and adversity may also be important for organizational crisis-preparedness, high reliability, longevity and future growth (Carmeli & Markman, 2011; Carmeli & Schaubroeck, 2008; Weick & Sutcliffe, 2001).

The concept of resilience emerged from the understanding that failures are breakdowns in the normal adaptive processes necessary to cope with the complexity of the real world, and that success relates to organizations, groups and individuals who produce resilient systems that recognize and adapt to variations, changes and surprises (Rasmussen et al., 1994; Cook et al., 2000; Woods & Shattuck, 2000; Sutcliffe & Vogus, 2003) (Patterson et al., 2007).

Proactive Posture and Organizational Effectiveness

In today's fast phased and continuously evolving business environment, an organization can often face situations that can generate unexpected and unforeseen challenges to leadership. Drivers for change can be various; global marketplace with intense competition, changing customer needs, technological changes, changes in regulations or the need to improve productivity while reducing organization's cost structure, to mention a few (Becker & Gerhart,

1996); constant change and increasing competition require leaders to be equipped to identify which factors need to be adjusted and act quickly in response.

Leaders need to have capability to reshape and redefine the company according to the market circumstances. At the same time, it is required to sustain existing operational performance and retain competitive advantage by observing the business landscape to seek the next new opportunity on which to capitalize (Conner, 2000; Masood, Dani, Burns & Blackhouse, 2006).

The way organizations prepare and react to change is a feature of being resilient. As well as organization's strategic flexibility, efforts to build capacity for resilience can work as an important source for the ability to capitalize on the opportunities a change can create. Resilience allows an organization to retain operational performance and original intent when it faces a crisis or change in business environment. Being resilient is a capability that enables organizations to adapt and react to change as it occurs. It allows an organization to develop new capabilities and even create new opportunities when responding to change (Lengnick-Hall, Beck & Lengnick-Hall, 2011).

The ability to develop leadership within an organization that can lead change successfully and build long-term organizational resilience capabilities may mean the difference to an organization's survival. Organizations need to develop the skills to be flexible and hold the ability to adapt to fluctuating market demands, to focus in finding innovative solutions for problems in parallel changes, and implement those quickly (Conner, 2000).
Prerequisite for this capability is to have skillful leadership, which enables resilient behaviors in the organization.

Resilient mangers have the ability to cope with unexpected situations and have the capacity to maintain operational performance (Robb, 2000). They are able to see the connection between current and future and encourage the rest organizational members to form a network of professionals who are empowered to participate in achieving set organizational goals and objectives (Lengnick-Hall et al., 2011; Masood et al., 2006).
$H0_1$: Proactive posture of the firm has no significant relationship with organizational effectiveness of deposit money banks.

Adaptive Capacity and Organizational Effectiveness

Organizations need to be able to adapt to the continuous change in business environment. They need to re-evaluate and adjust the ways of working and structures to retain the competitive advantage. Strong performance management and effective rewarding system are elements of effective change leadership. Continuous change sets demands for leaders to set high but realistic goals and reward behaviors and achievement that support the targeted vision (Hughes, 2007; Kotter, 1996; McKnight, 2013).

Leading a resilient organization can be seen as a continuous act of adjusting to trends rather than responding to one-time change. A resilient organization is the one, which is able to retain operational performance, to achieve its objectives and be efficient and profitable when facing change.

Leadership plays vital role in developing capacity to be adaptive and agile. Change leadership should not only concentrate to preparing responses to changes but also proactively seek new opportunities on which to capitalize (Nelson & Nelson, 2017).

Bell (2002) lists five key components of building resilience: leadership, culture, people, systems and settings.

Leadership's role is to allocate resources and set priorities, empowerment, purpose, trust and accountability are essential building blocks. Work community should be seen as a network of professionals and allow them to be self-organized into communities thus supporting organizational learning. Team work also improves the sharing of purpose in all levels and enhances building trust among the members.

Building a resilient team requires systematic strategy for building right composition of skills and levels of resiliency (Bell, 2002). Tunick and Diane (2002) states that it can be challenging to build a resilient organization for leaders, as today organizations are often distributed. Disperse people, knowledge, systems and workspaces need to be deliberately designed to enable adjustments and flexibility.

Building resilient capabilities is a joint effort of leaders across the organization, across the functions, geographical location and other possible organizational boundaries (Tunick & Diane, 2002).

$H0_2$: Adaptive capacity of the firm has no significant relationship with organizational effectiveness of deposit money banks.

Relationship between Managerial Resilience and Organizational Effectiveness

In general, the concept of resilience is related to organization's responses to disruptive events, by positively adapting to a new level of complexity in order to overcome the situation and implement change successfully.

Kanten, Kanten and Gurlekc (2015) assessed the effects of organizational structures and learning organization on job embeddedness and individual adaptive performance. In literature, studies suggest that learning organization and organizational structures bring about some desirable outputs for both individuals and organizations. Accordingly, within the scope of the study, job embeddedness and individual adaptive performance are considered as important consequences which have been thought to be affected by the organizational conditions. The results of the study indicate that organic organization structure has been found to have no direct effect on job embeddedness and individual adaptive performance. In addition to this, mechanistic organization structure affects job embeddedness positively, while it has no direct effect on individual adaptive performance. However, learning organization affects both job embeddedness and individual adaptive performance positively and learning organization has a fully mediator role in the relationships between organic organization structure and job embeddedness. It also has a fully mediator role in the relationships between organic organization structure and individual adaptive performance. Moreover, learning organization has a fully mediator role between mechanistic organization structure and individual adaptive performance.

Subramanian (2017) posited that organizational structures are created to deploy a strategic direction and create a competitive advantage. However, employer–employee relationship of business organizations and how companies resolve the inherent dilemma associated with the conflicting adaptive pressures associated with short-run efficiency and long-run effectiveness is also regulated by a prevalent organizational structure. Though organizational

structures are flexible by design and intent, there are several constraints for organizations in managing the employer–employee relationship to suit strategic needs.

The concept of radical innovation in technology, products, services and organizational forms inherently brings the idea of disruption and adaptation of the organization to a new level of complexity after the redesign of forms of work, business model, products and/or services, as well as the redesign of organizational processes and forms of remuneration. Moreover, regardless of the radical innovation organizations go through, they need to adapt to be able to thrive in a business environment that is increasingly competitive, where other organizations also constantly innovate.

Gouveia de Vasconcelos (2017) have argued that organizations need to face these disruptive situations successfully, reaching new levels of performance and stability by implementing technologies and more complex interactions that come from the redesign of work models and of the relationships, as well as the redesign of organizational structures, forms of remuneration and careers (Gouveia de Vasconcelos, 2017).

From studies reviewed, it remains succinctly clear to support our supposition of the relationship between managerial resilience and organizational effectiveness in modern day organizations.

Methodology

This study adopted a cross sectional survey research design in engaging sixteen (16) deposit money banks out of twenty two (22) under the regulation and supervision of Central Bank of Nigeria (CBN) which forms our accessible population, however our study units include the managerial employees of the firms having that our unit of analysis is organizational and such employees are to stand in proxy for the organization. The human resource department provided us the data on functional departments within the organization. Because the study elements were remarkably few in number; there was no need for sampling as we included all seventy (70) managers as our study objects. The instrument with which we elicited data from the respondents is the questionnaire and was analyzed using Spearman's Rank order coefficient of correlation statistical tool.

Results and Discussion

Table 1: Spearman' rank order correlation coefficient: A test of association between the variables

			Proactive Posture	Adaptive Capacity	Org Effectiveness
Spearman's rho	Proactive Posture	Correlation Coefficient	1.000	.756**	.943**
		Sig. (2-tailed)	.	.000	.000
		N	70	70	70
	Adaptive Capacity	Correlation Coefficient	.756**	1.000	.749**

	Sig. (2-tailed)	.000	.	.000
	N	70	70	70
Org Effectiveness	Correlation Coefficient	.943**	.749**	1.000
	Sig. (2-tailed)	.000	.000	.
	N	70	70	70

**. Correlation is significant at the 0.05 level (2-tailed).

SPSS output, Version 20 – Field Survey, 2018

Table 1 presents Spearman's rank order correlation run to ascertain the relationship between proactive posture and organizational effectiveness as reported by seventy (70) respondents. A strong positive correlation coefficient value was reported between proactive posture and organizational effectiveness of deposit money banks which was statistically significant (rho = .756**, p = .000 < 0.05 (alpha value) this suggests that there is significant relationship between proactive posture and the criterion variable; also adaptive capacity and organizational effectiveness reports significant values of correlation (rho = .943**, p = .000 < 0.05)

Decision: The null hypotheses ($H0_{1 and 2}$) are rejected and we state that there is significant relationship between the dimensions of managerial resilience and organizational effectiveness of deposit money banks in Rivers State.

Discussion of Findings

The study examined the relationship between managerial resilience and organizational effectiveness of deposit money banks in Rivers State; five hypotheses were formulated as tentative answers to research questions raised and were tested to find support for the propositions, thus;

The result of the tested $H0_{1-2}$ reported the existence of a significant relationship between the dimensions of managerial resilience (proactive posture and adaptive capacity) and organizational effectiveness; (rho = .756**, p = .000 < 0.05; rho = .943**, p = .000 < 0.05); this empirical finding is supported by Becker and Gerhart (1996) in positing that the current realities beclouding the business environment need apt attention by modern managers which will enable break new grounds and increase their productivity levels; thus leaders need to have capability to reshape and redefine the company according to the market circumstances. At the same time, it is required to sustain existing operational performance and retain competitive advantage by observing the business landscape to seek the next new opportunity on which to capitalize (Conner, 2000; Masood, Dani, Burns & Blackhouse, 2006). Accordingly, McKnight (2013) in his view posited that leading a resilient organization can be seen as a continuous act of adjusting to trends rather than responding to one-time change thus leading to strong performance levels evidenced in productivity of individual managers (Hughes, 2007; Kotter, 1996; McKnight, 2013).

Conclusion

Empirical findings from data analyzed predicate the following conclusions relative to the scope of our study;

Proactive posture directly relates with organizational effectiveness; as individual managers sense and remain alert at trends in the industrial clime; this shape enables them put up policies that will keep all workers' hands on deck which connotes productivity among workers to meet up and not be swept off.

In the same vein, adaptive capacity significantly relates with organizational effectiveness; resilience is explained in adaptive capacity of managers in that occurrences in the business environment are studied to know what manner of strategies to put up to derive the best results from such moves; this successful as it will result in increased market share for the corporation.

Recommendations of the Study

The following recommendations come about as a result of prior findings and conclusions reached relative to the variables studied, thus;

   i. Managerial resilience is a necessary factor in the modern organization because of the competitive nature of the 21st century market place; so that the organization is not overwhelmed and overtaken by operations of competitors and other agents in the market.
   ii. Therefore, deposit money banks as well as other institutions should ensure that business managers are trained to possess resilient attitudes and skills so as to pilot the affairs of the organization to sail above the tides successfully;
   iii. Efforts should be made to ensure that every given manager possesses a proactive posture; such that remains sensitive, attentive and alert to the trends so as to launch strategies that will enable the organization remain competitive
   iv. Business owners and leaders should by the strategies remain adaptive to shocks and learn to bounce back successfully; this can be done through employing capable workforce, training as to elicit human capital capable of wedging the war (threats and challenges)

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