

MANAGEMENT INNOVATION DIMENSIONS AND FIRMS PERFORMANCE NEXUS: THE MODERATING EFFECTS OF MARKET UNCERTAINTY AND DYSFUNCTIONAL COMPETITION.

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Abstract

The main aim of this paper is to explain the relationship between the multi-dimensions of management innovation using a measuring instrument and to examine the moderating effect of market uncertainty and dysfunctional competition in Ghanaian SME firms. Using the measuring instrument of five dimensions of management innovation, namely, the strategic dimension, structural dimension, employee motivation and development dimension, Interorganizational relations and partnership dimension, and ICT dimension, the study surveyed 520 employees from a variety of Ghanaian SME companies. The study applied the mixed method approach. Data collected from the respondents were analyzed using multiple linear regression for the quantitative data and content analysis for the qualitative data. Based on the study results, it was revealed that employee motivation and development and information communication and technology had a significant and positive effect on the performance of Ghanaian SMEs firms. The result of the study implies that, for practitioners to achieve firm performance considering the level of market uncertainty, they may have to motivate and develop their employee management processes. In the second instance, the result of the study implies that, for practitioners to achieve firm performance considering the level of dysfunctional competition in the market, it is important that they maintain a dynamic approach to structuring their work processes. This implies that for Ghanaian SME managers to effectively innovate leading to the performance of their firms, much focus has to be given to the motivation and development of employees. Similarly, it is important that, in the face of globalization, managers need to invest resources into information communication technologies in order to achieve firm performance. This study contributes to the management innovation literature in two main ways: it emphasized that the level of uncertainty in the market is a significant condition that enhances the effect of the employee motivation and development dimension of management innovation on firm performance; and it emphasized that the level of dysfunctional competition is a significant condition that enhances the effect of the structural dimension of management innovation on firm performance.

Keywords: Management innovation (MI), market uncertainty, dysfunctional competition.