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SELF-AWARENESS AND PROCESS INNOVATION OF INSURANCE INDUSTRY, SOUTH-SOUTH, NIGERIA.

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ABSTRACT

This study examines the multifaceted relationship between Self-Awareness and Process Innovation in the insurance sector of South-South Nigeria. Utilizing a cross-sectional survey research design, this study sampled 210 respondents from a population of 440 employees across 22 insurance firms in the region. The cross-sectional survey approach provided a snapshot of the relationship between Self-Awareness and Process Innovation at a specific point in time, offering valuable insights into the current state of process innovation in the insurance industry. The data collected was analyzed using Structural Equation Modelling (SEM) constructed with Amos21 software, which enabled the modelling of complex relationships between variables, including the moderating effect of Organizational Structure. Additionally, the Spearman Rank Order Correlation Coefficient was used to indicate the strength and direction of these relationships. The findings reveal a significant positive relationship between Self-Awareness and Process Innovation. Moreover, organizational culture emerged as a potent moderator between the variables, underscoring its critical role in fostering innovative work behavior. The findings have important implications for insurance firms seeking to foster a culture of innovation, highlighting the need for leaders to develop their emotional intelligence, particularly in the area of Self-Awareness, and create a conducive work environment that supports Process Innovation.

Keywords: Self-Awareness, Process Innovation, Organizational Culture.

1 INTRODUCTION

The Nigerian insurance industry is confronted with a pressing challenge of low insurance penetration, despite its significant market size of approximately ₦2.3 trillion. This phenomenon is attributed to a combination of factors, including inadequate awareness, limited product offerings, and inefficient distribution channels (Ostrom et al., 2010). As a result, the industry's growth prospects are hindered, and its potential to contribute to the nation's economic development is not being fully realized. To address this challenge, Process innovation is essential. Through developing new or improved processes that meet evolving customer needs, insurance companies can enhance their performance and competitiveness (Gallouj & Weinstein, 1997).

Self-awareness is a critical driver of Process innovation, empowering employees to take ownership of their work and make decisions that drive innovation (Amabile, 1993). When employees are

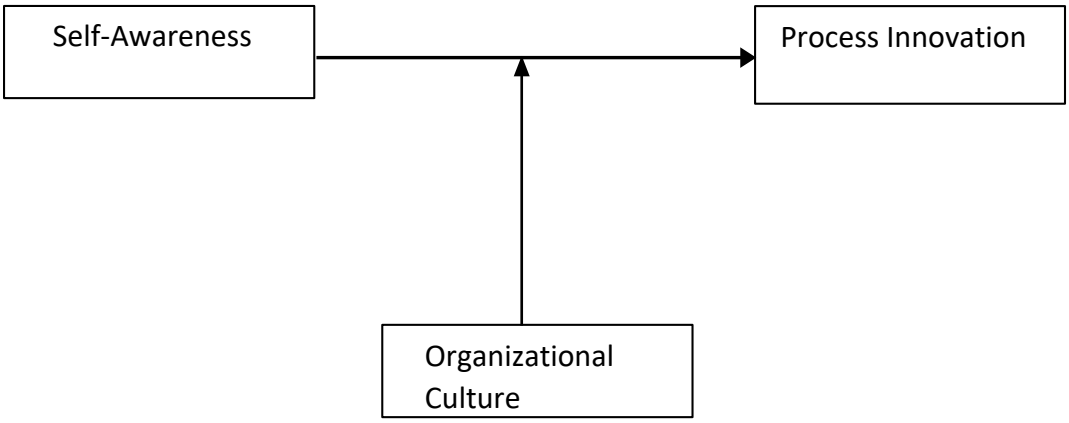
given the freedom to make decisions and take ownership of their work, they are more likely to be motivated to innovate and improve processes (Hackman & Johnson, 2013). This, combined with empowerment, feedback, and training and development opportunities, can help employees develop the skills and knowledge they need to drive Process innovation (Noe, 2008).
The benefits of Self-awareness in Process innovation are numerous, including improved customer satisfaction, increased innovation, and enhanced employee engagement (Ostrom et al., 2010).

Increased innovation is another benefit, as Self-awareness empowers employees to think creatively and develop new ideas (Amabile, 1993). Enhanced employee engagement is also a result of Self-awareness, as employees feel more empowered and autonomous (Hackman & Johnson, 2013). As a strong moderator, Organizational culture can moderate the relationship between Self-awareness and Process innovation. A culture that values innovation, flexibility, and employee empowerment can enhance the positive effects of Self-awareness on Process innovation (Hartnell et al., 2011).
Conversely, a culture that emphasizes control and bureaucracy can hinder the effectiveness of Self-awareness in driving innovation (Ogbonna & Harris, 2000).

This study is significant because it addresses a critical challenge facing the Nigerian insurance industry. The findings of this study will contribute to the existing body of knowledge on Process innovation in the insurance industry and provide insights for industry stakeholders, policymakers, and researchers. The study's recommendations will also inform the development of strategies to promote Process innovation and increase insurance penetration in Nigeria.

As a result of exploring the relationship between Self-awareness and Process innovation, this study aims to provide a deeper understanding of the factors that drive innovation in the insurance industry. The study's findings will have implications for insurance companies, policymakers, and researchers, and will contribute to the development of strategies to promote Process innovation and increase insurance penetration in Nigeria. Ultimately, this study will contribute to the growth and development of the Nigerian insurance industry, and will provide insights for industry stakeholders, policymakers, and researchers.

2. OPERATIONAL FRAMEWORK



Research Hypotheses

H01: There is no significant relationship between Self-Awareness and Process Innovation.

H02: Organizational Culture do not significantly moderate the relationship between Self-Awareness and Process Innovation.

Theoretical Framework

Emotional Contagion Theory

Emotional contagion, defined as the transmission of emotion or mood from one individual to another, has been a topic of interest among researchers (Barsade et al., 2018). This phenomenon is prevalent in psychological and organizational behavior literature, highlighting its significance in understanding human interactions (Liao, 2015; Schoenewolf, 1990).

The concept of emotional contagion can be broken down into four distinct features: (1) It involves distinct emotions and widespread mood; (2) It can occur through conscious and subconscious processes; (3) It can take place in various social settings, including dyads, groups, and organizations; and (4) It influences not only emotions but also subsequent thoughts and behaviors (Barsade et al., 2018).

Research has shown that emotions play a crucial role in emotional contagion, with leaders' emotions influencing their followers' emotions and behavior (Sy et al., 2005; Bono & Ilies, 2006). For instance, a study found that leaders' positive mood was positively related to followers' innovative performance, but not investigative performance (de Visser et al., 2013). This highlights the importance of considering the emotional dynamics between leaders and followers in service innovation, where employees are empowered to take ownership of their work and make decisions that drive innovation (Amabile, 1993).

Self-management is a critical driver of service innovation, as it enables employees to respond quickly and effectively to changing customer needs and preferences (Hackman & Johnson, 2013). Therefore, empowering employees to take ownership of their work and make decisions that drive innovation, self-management can lead to improved customer satisfaction, increased innovation, and enhanced employee engagement (Ostrom et al., 2010).

Recent studies have continued to explore the impact of emotional contagion on individual and group outcomes. For example, research has shown that emotional contagion can influence decision-making processes, with individuals being more likely to make riskier decisions when exposed to others' anxiety (Parkinson & Simons, 2009). In addition, emotional contagion has been found to play a role in shaping policy decisions, highlighting its significance in organizational settings (Parkinson & Simons, 2012).

More so, in the context of service innovation, emotional contagion can play a crucial role in driving employee creativity and innovation. By way of fostering a positive emotional climate, organizations can encourage employees to think creatively and develop new ideas (Amabile, 1993). Self-Awareness can also facilitate emotional contagion, as employees are empowered to

take ownership of their work and make decisions that drive innovation (Hackman & Johnson, 2013).

Overall, emotional contagion is a complex phenomenon that plays a crucial role in understanding human interactions and organizational behavior. Further research is needed to explore its implications for leadership, decision-making, and policy development in the context of service innovation and self-management.

Diffusion of Innovation Theory

The Diffusion of Innovation Theory (DIT) is a widely used framework for understanding the spread of new ideas, practices, and products. The theory was first introduced in the field of Rural Sociology, where it was used to study the adoption of new farming practices. Since then, the DIT has been applied in various contexts, including healthcare, technology, and business.

The DIT posits that the diffusion of innovations is a social process that involves the communication of new ideas, practices, or products through various channels. The theory identifies five key attributes of innovations that influence their adoption: relative advantage, compatibility, complexity, trialability, and observability. Relative advantage refers to the degree to which an innovation is perceived as better than existing solutions. Compatibility refers to the extent to which an innovation aligns with the values, needs, and past experiences of potential adopters. Complexity refers to the perceived difficulty of using an innovation. Trialability refers to the ability to test an innovation before adopting it. Observability refers to the visibility of the benefits of an innovation.

In the context of process innovation, the DIT can be used to understand how new process are adopted and diffused within organizations. Process innovation involves the development of new or improved process that meet the evolving needs of customers. Self-Awareness is a critical driver of process innovation, as it enables employees to take ownership of their work and make decisions that drive innovation. By means of empowering employees to manage their own work, organizations can facilitate the adoption of new ideas and practices, which is a key aspect of the DIT.

The DIT can also be applied to understand how Self-Awareness influences the adoption of innovations. For example, employees who are given the autonomy to make decisions and take ownership of their work are more likely to adopt new ideas and practices that they perceive as beneficial to their work. This is because Self-Awareness enables employees to take a more proactive approach to innovation, which can lead to increased adoption rates.

Recent studies have applied the DIT to various contexts, including the adoption of mobile payment systems and the implementation of new technologies in education. These studies have highlighted the importance of considering the social and cultural context in which innovations

are introduced. In addition, the DIT has been combined with other theoretical frameworks, such as the Technology Acceptance Model (TAM) and the Unified Theory of Acceptance and Use of Technology (UTAUT), to better understand the adoption of innovations.

Largely, the DIT provides a valuable framework for understanding the diffusion of innovations and the factors that influence their adoption. By means of considering the social and cultural context in which innovations are introduced, and the role of self-management in facilitating the adoption of new ideas and practices, researchers and practitioners can better understand how to facilitate the adoption of new ideas, practices, and products.

3. METHODOLOGY

This study employed a Cross-Sectional Survey Research design to investigate the relationship between Self-management and Service Innovation in the service industry, specifically in the insurance sector in South-South Region, Nigeria. The research design serves as the foundation of a study, outlining the strategies and procedures for data collection and analysis (Saunders et al., 2019). A well-crafted research design ensures the validity, reliability, and applicability of the findings.

Population for the study

According to Bell and Bryman (2007), a well-defined population should have clear boundaries, enabling researchers to accurately describe its characteristics. However, in many cases, the population may be vast and inaccessible, making it necessary to focus on an accessible population (Zeb-Obipi, 2015). This accessible population comprises the specific group of individuals or elements that researchers can realistically study. This research focuses on the insurance industry in Nigeria, specifically targeting 22 selected insurance companies. The population of the study consists of 440 employees from these companies.

Sample and Sampling Techniques.

The work adopted the systematic sampling technique in order to render avoid seeming bias in the selection of items. Yamen's (1968) Formula was employed to ascertain sample size. The formula is given as:

$$n = \frac{N}{1+N(e)2}$$

Where n = sample size

N = population size

e = the error of sample

Thus:

$$n = \frac{440}{1+440\ (0.05)2}$$

$$n = \frac{440}{1+440\ (0.0025)}$$

$$n = \frac{440}{1+1.1}$$

$$= \frac{440}{2.1}$$

n = 210

Hence, the sample size of this work comprises 210 workforce from the 15 selected organizations. However, to arrive at the appropriate apportionment of research instrument (questionnaire) to each firm, the Bowley's (1964) formula was applied as follows:

$$nh = \frac{nNh}{N}$$

Where nh = the number of questionnaire opportune to each organization

n = the total sample size

Nh= the number of employees in each firm

N = the population

In this work n = 210 while N = 440

Nature and Sources of Data

This study relies on primary data, which is the original data collected directly from respondents through the administration of questionnaires. The primary data source enables the collection of first-hand information on the study variables.

Data Analysis Techniques

This study employed the Spearman Rank Order Correlation Coefficient to investigate the relationships between the variables. The analysis will be conducted using the Statistical Package for Social Sciences (SPSS) version 21.

Spearman Rank Order Correlation Coefficient

The Spearman Rank Order Correlation Coefficient was used to test the hypotheses and examine the relationships between the variables. The formula for the Spearman Rank Order Correlation Coefficient is:

Rho = 1 - (6 * ∑d^2) / (n * (n^2 - 1))

Where:

- Rho = Spearman Rank Order Correlation Coefficient
- ∑d^2 = sum of squared differences in the ranking of the subjects on the two variables
- n = number of subjects being ranked

Partial Correlation

Partial correlation analysis was used to examine the effect of organizational culture on the relationship between variables.

Structural Equation Modelling (SEM)

The study employed Structural Equation Modelling (SEM) to assess the model fit of the data. This analysis was conducted using Amos version 21.

4. RESULT AND ANALYSIS.

HO_1: There is no significant relationship between self-awareness and process innovation of insurance industry.

Correlations

			Self_Aware	Process_Innov
Spearman's rho	Self_Aware	Correlation Coefficient	1.000	.514**
		Sig. (2-tailed)	.	.000
		N	210	210
	Process_Innov	Correlation Coefficient	.514**	1.000
		Sig. (2-tailed)	.000	.
		N	210	210

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

A correlation analysis was conducted to test Hypothesis 5 (HO5), which posits the absence of a significant relationship between self-awareness and process innovation in the insurance industry. Utilizing Spearman's rho, the results revealed a statistically significant and moderate to strong positive correlation between self-awareness (Self_Aware) and process innovation (Process_Innov), with a correlation coefficient of 0.514 ($p = 0.000$). This correlation is significant at the 0.01 level (2-tailed), indicating a positive and notable relationship between the two variables. Specifically, the findings suggest that as self-awareness increases, process innovation tends to increase correspondingly, providing empirical evidence contrary to the null hypothesis (HO5). A positive correlation between self-awareness and process innovation suggests that insurance professionals who possess high self-awareness are better equipped to identify areas for process improvement and develop innovative solutions. Self-awareness enables individuals to recognize their strengths, weaknesses, and emotions, allowing them to make more informed decisions and develop more effective processes.

By cultivating self-awareness, insurance organizations can foster a culture of innovation and continuous improvement, ultimately driving operational efficiency and competitiveness. The positive correlation between self-awareness and process innovation can be further understood through the lens of emotional intelligence (EI) and diffusion of innovation (DOI) theory. Emotional intelligence, which encompasses self-awareness, enables individuals to recognize and understand their own emotions and motivations, as well as those of others (Goleman, 1995).

Self-awareness, a key component of EI, facilitates process innovation by allowing individuals to:

Recognize areas for improvement: Self-aware individuals can identify their own strengths and weaknesses, as well as those of their organization, and develop innovative solutions to address these areas.

Manage emotions and motivations: Self-aware individuals can regulate their own emotions and motivations, leading to increased creativity, productivity, and job satisfaction. Foster effective relationships: Self-aware individuals can develop more effective relationships with colleagues and stakeholders, leading to increased collaboration, communication, and knowledge sharing. The DOI theory provides additional insight into the adoption and implementation of process innovations (Rogers, 2003). According to DOI, the adoption of innovations is influenced by factors such as relative advantage, compatibility, complexity, trial ability, and observability.

Self-awareness can enhance these factors by:

Increasing relative advantage: Self-aware individuals can identify areas where process innovations can provide a competitive advantage.

Improving compatibility: Self-aware individuals can assess the compatibility of process innovations with existing organizational processes and systems.

Reducing complexity: Self-aware individuals can develop innovative solutions that simplify complex processes.

Enhancing trial ability: Self-aware individuals can design and test process innovations, reducing the risk of adoption.

Increasing observability: Self-aware individuals can communicate the benefits and results of process innovations, increasing visibility and adoption. By cultivating self-awareness, insurance organizations can foster a culture of emotional intelligence, innovation, and continuous improvement, ultimately driving operational efficiency, competitiveness, and growth.

H02: Organizational Culture does not significantly moderate the relationship between Self-Awareness and Process Innovation of insurance industry

Correlations

Control Variables			Self_Mgt	Self_Aware	Social_Aware	Relat_Mgt	Serv_Innov	Process_Innov	Admin_Innov
	Self_Mgt	Correlation	1.000	-.116	.153	.115	.270	.	-.180
		Significance (2-tailed)	.	.094	.027	.096	.000	.	.009
		Df	0	207	207	207	207	207	207
	Self_Aware	Correlation	-.116	1.000	.448	.620	.585	.	.252
		Significance (2-tailed)	.094	.	.000	.000	.000	.	.000
		Df	207	0	207	207	207	207	207
Org_culture	Social_Aware	Correlation	.153	.448	1.000	.443	.368	.	.132
		Significance (2-tailed)	.027	.000	.	.000	.000	.	.057
		Df	207	207	0	207	207	207	207
	Relat_Mgt	Correlation	.115	.620	.443	1.000	.695	.	.222
		Significance (2-tailed)	.096	.000	.000	.	.000	.	.001
		Df	207	207	207	0	207	207	207
	Serv_Innov	Correlation	.270	.585	.368	.695	1.000	.	.179

	Significance (2-tailed)	.000	.000	.000	.000	.	.	.009
	Df	207	207	207	207	0	207	207
	Correlation	.	.	.	.	.	1.000	.
Process_Innov	Significance (2-tailed)	.	.	.	.	.	.	.
	Df	207	207	207	207	207	0	207
	Correlation	-.180	.252	.132	.222	.179	.	1.000
Admin_Innov	Significance (2-tailed)	.009	.000	.057	.001	.009	.	.
	Df	207	207	207	207	207	207	0

A correlation analysis was conducted to test Hypothesis 10 (HO10), which posits that organizational culture (OC) does not moderate the relationship between managerial emotional intelligence practices and innovative work behaviour in the insurance industry. The results indicate that the introduction of organizational culture as a moderating variable significantly alters the relationships between the variables. Initially, the correlations between self-management, self-awareness, social awareness, relationship management, service innovation, process innovation, and administrative innovation were evaluated without considering organizational culture. However, upon introducing organizational culture as a moderating variable, the relationships between these variables exhibit significant changes. Notably, the correlation between organizational culture (OC) and other variables, such as self-management (Self_Mgt), self-awareness (Self_Aware), social awareness (Social_Aware), relationship management (Relat_Mgt), and service innovation (Serv_Innov), demonstrate varying degrees of significance. For instance, the correlation between self-management and organizational culture is negative and statistically significant ($r = -0.116$, $p = 0.094$), indicating a weak but significant relationship. Conversely, the correlation between organizational culture and service innovation ($r = 0.270$, $p < 0.0001$) is positive and significant, suggesting that organizational culture plays a substantial role

in fostering service innovation. Furthermore, the introduction of organizational culture significantly impacts the relationship between self-awareness and social awareness with other innovation-related variables, including service, process, and administrative innovation. The changes in correlation relationships upon the inclusion of organizational culture indicate that organizational culture indeed moderates the relationship between managerial emotional intelligence practices and innovative work behaviour.

The rejection of the null hypothesis suggests that organizational culture has a moderating effect on the relationship between the variables in question. This finding is consistent with the literature on organizational culture and innovation, which suggests that a supportive organizational culture can foster innovation by encouraging experimentation, learning, and collaboration (Amabile, 1998). The moderating role of organizational culture in the relationship between managerial emotional intelligence practices and innovative work behaviour can be further understood through the lens of survival theory. Survival theory suggests that organizations must adapt and innovate to survive in a rapidly changing environment (Hannan & Freeman, 1977). Organizational culture plays a critical role in facilitating adaptation and innovation by influencing the behaviours and attitudes of employees (Schein, 1992). A supportive organizational culture can foster innovation by encouraging experimentation, learning, and collaboration (Amabile, 1998). Conversely, a culture that emphasizes stability and tradition may hinder innovation and adaptation. Hence, organizational culture moderates the relationship between managerial emotional intelligence practices and innovative work behavior. This means that the impact of managerial emotional intelligence practices on innovative work behavior is influenced by the organizational culture. In a culture that supports innovation, managerial emotional intelligence practices are more likely to lead to innovative work behavior.

4.1 Structural Equation Model

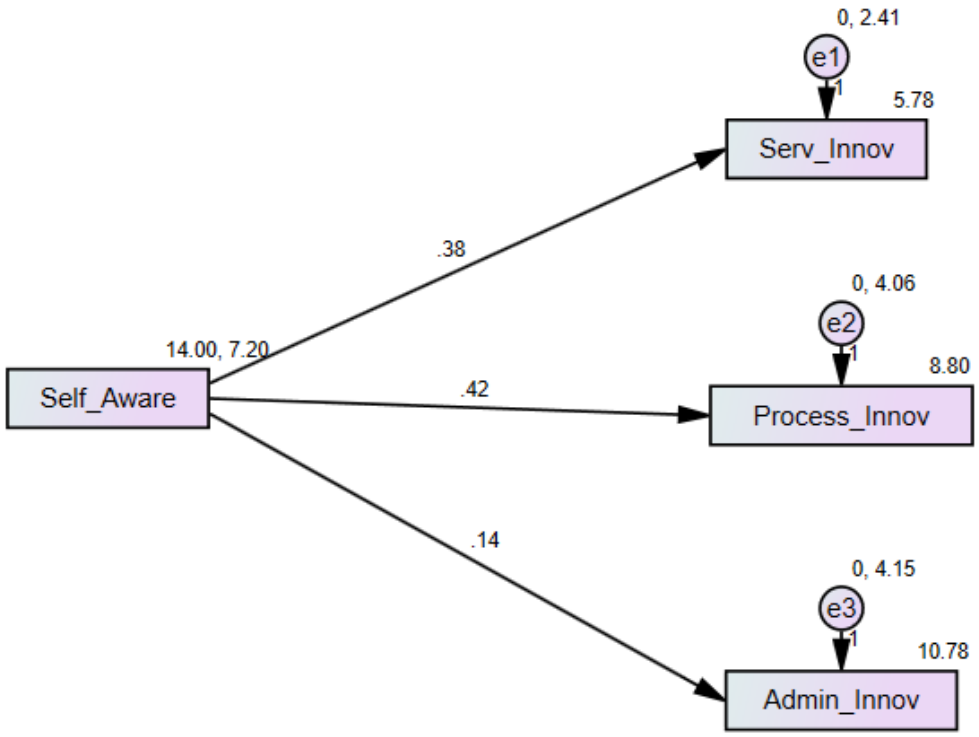


Fig. 4.1 Self Awareness and innovation

Fig. 4.1 Self-Awareness and Process Innovation

4:2 Discussion of Findings.

The findings of this study provide valuable insights into the relationship between self-awareness and process innovation in the insurance industry. Although the initial hypothesis stated that there is no significant relationship between self-awareness and process innovation, the results actually suggest that there is a relationship.

The Emotional Contagion Theory suggests that emotions can be transferred from one individual to another, influencing their behavior and decision-making (Hatfield et al., 1993). In the context of self-awareness and process innovation, emotional contagion can play a role in facilitating the development of innovative processes. Self-awareness can help individuals to better understand their own emotions and how they impact their behavior, which can in turn influence their ability to develop innovative processes.

The Diffusion of Innovation Theory posits that the adoption of new ideas and innovations is influenced by various factors, including the characteristics of the innovation, communication channels, and social systems (Rogers, 2003). Self-awareness can play a role in the diffusion of process innovations by enabling individuals to understand their own strengths and weaknesses, as well as the needs and preferences of others.

Implications for the Insurance Industry

The findings of this study have important implications for the insurance industry. They suggest that insurance companies should focus on developing self-awareness among their employees, as this can lead to the development of innovative processes that enhance organizational efficiency and effectiveness.

More so,the findings of this study highlight the relationship between self-awareness and process innovation in the insurance industry. The results suggest that self-awareness can play a role in facilitating the development of innovative processes, and that insurance companies should focus on developing self-awareness among their employees to drive innovation and improve organizational efficiency and effectiveness.

5 Conclusion

In conclusion, this study has provided valuable insights into the relationship between self-awareness and process innovation in the insurance industry. The findings suggest that self-awareness plays a significant role in facilitating the development of innovative processes, which can enhance organizational efficiency and effectiveness. Through the lens of Emotional Contagion Theory and Diffusion of Innovation Theory, this study has highlighted the importance of self-awareness in driving innovation. By understanding their own emotions and strengths, individuals can better navigate the complexities of innovation and develop processes that meet the needs of stakeholders. The implications of this study are clear: insurance companies should prioritize the development of self-awareness among their employees to drive innovation and stay ahead in a rapidly changing industry.

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