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Employees' Managerial Skills and Mortgage Banks Performance: A Study of Primary Mortage Financial Institutions in Nigeria

[1]Ann, Residetu Bossey & [2]Chinwo, Amina Chinyere PhD

[1]*Department of Accountancy, School of Financial Studies, Auchi Polytechnic, Auchi.*
[2]*The Vice Chancellor's Office, Rivers State University, Port Harcourt*

Corresponding Email : annbossey@gmail.com

Abstract

The effective application of managerial skill is a necessity for any organisation's long-term growth and competitiveness. This study therefore intends to examine the influence of employees' managerial skills on the performance of mortgage banks in Nigeria. The study laid emphasis on such variables such as employee's managerial skillset and managerial coordination as they affect his performance as well as that of the banks, with emphasis on the profitability level and market share. The technique of analysis was descriptive statistics which was generated through SPSS analysis of codified data generated from questionnaire administered online on 121 respondents who are employees attached to various units of the banks. The results of the study indicate that employee's managerial skillset and managerial coordination impact significantly on not just his performance, but on the overall performance of the banks in terms of profitability level and market share. The study therefore concluded that employees' managerial skillset impact significantly on mortgage banks' performance in Nigeria and recommended the need for mortgage financial institutions in the country to match employees' managerial skillset with their assigned role, train and retrain their employees for improved performance, among others.

Keywords: Employees' Managerial Skillset; Managerial Coordination; Mortgage Banks' Performance; Nigeria

Introduction

In the dynamic landscape of Nigeria's financial sector, mortgage banks play a pivotal role in facilitating access to housing finance for individuals and businesses alike. However, the Nigeria's mortgage industry faces unique challenges due to factors such as rapid urbanization, population growth, and housing deficits. Within the primary mortgage institutions, efficient organizational performance is essential for achieving strategic objectives, enhancing operational efficiency, and maintaining competitiveness (Yagboyaju et al, 2022).

Employees' skills play a crucial role in the successful execution of projects across various industries. In the context of Nigerian mortgage banks, these skills are equally vital for efficient organizational performance. Such skills, encompassing a spectrum of methodologies, tools, and competencies which serve as the cornerstone for successful financial deliveries in the primary mortgage banking.

Mortgage banking is a complex and competitive industry that requires professionals to have a range of skills and competencies to perform their tasks effectively and efficiently (Ibegbulem, 2021). The challenges faced by Nigeria's mortgage industry underscore the necessity of efficient management skills for strategic organizational success and improved operational efficiency. Management practices in mortgage banking also has a great impact on performance of the employee, in addition the manager's role has much impact on employees' skill practices. The mortgage banks in Nigeria have been facing different challenges including low job satisfaction and poor performance. With the help of improved and overhaul managerial skill, couple with further and adequate training of employees in management practices, the mortgage banks could improve on their overall performance and productivity.

Effectively applying managerial skills is crucial for any organization's long-term growth and competitiveness (Iguisi & Obeki, 2019). In reviewing primary mortgage banks, this study seeks to address the gap in understanding the workings of application of employees' management skills within the Nigerian context. It intends to provide valuable insights for organizational improvement and human capital development by investigating employee's managerial skill effect on organizational performance, as well as the impact of the practice of the skills set on employee effectiveness in mortgage banks. Also, the extent to which these skills are practiced and their influence on the performance of employees in non-manager roles within Nigerian Mortgage Banks remains an intriguing area for exploration.

The research therefore has the following objectives

1. To identify employee's managerial skills effect on mortgage banks' (profitability) performance.
2. To examine the impact of the practice of the skills set on employee effectiveness.
3. To identify the impact managerial coordination on mortgage banks' (market share) performance.

Literature Review

The Concept of Managerial Skills

Managerial skills are among the most important and sought-after skills for employees, enabling them to plan, execute, and deliver the organization products and services to their customers and stakeholders (Scribber, 2023). Management as a function cannot be carried out without the application of skills set**.** Managerial skills are therefore the abilities and attributes that enable employees to perform their tasks effectively and efficiently (Rezende & Blackwell, 2019). Managerial skills can be classified into two categories: technical skills and soft skills. Technical skills are those that can be learned through formal education or training, such as budgeting, scheduling, risk management, scope management, and quality management. Soft skills are those that are developed through personal experience or practice, such as communication, leadership, problem-solving, teamwork, and negotiation (Scribber, 2023).

Rezende and Blackwell (2019); Scribber (2023), in their review found that a managers' competency profile is composed of 81 competencies divided across 11 dimensions: influencing, communication, emotional, contextual, management, cognitive skills, professionalism, knowledge and experience, project management knowledge, and personal skills and attributes.

a. **Influencing Skills**: The influencing skills group represents six competencies that can produce effects on the actions, behaviours, and opinions of others. Among these competencies are leadership, conflict management, influence/persuasion, motivating others, negotiation, and charisma. Despite their differences, some of the competencies are correlated and are often described as one.
b. **Communication Skills:** Communication skills represent one of the most commonly discussed competencies in project management. It describes the ability to exchange information between individuals. Among the skills of competent communication are basic skills such as verbal, written, and listening. Additionally, multi-level, open, clear, direct and concise, engaging, multicultural and contextual communication and presentation skills are regarded as important competencies.
c. **Team working Skills:** The team working skills group is composed of seven competencies that focus on the way people work together to deliver projects. Some of these competencies include collaboration, support, developing others, team building, delegation, escalation, and trustworthiness.
d. **Emotional Skills:** The emotional skills group is composed of six competencies related to individuals' mental states, sensations, beliefs, or desires, namely stress management, interpersonal skills, interpersonal sensitivity, self-awareness, self-motivation, and empathy. Within this group, two subsets of competencies can be identified. Interpersonal sensitivity, interpersonal skills, and empathy are competencies that focus on emotion toward or from others. The other subset includes, self-awareness, stress management and self-motivation which focus on emotion within the individual.
e. **Contextual Skills:** Contextual skills represents five competencies related to the understanding and management of circumstances or facts that surround a particular event, situation, or environment, namely adaptability, contextual awareness, strategic alignment, political awareness, and networking.
f. **Management Skills:** Management skillset is composed of five broad skills related to the processes of administration, conducting, and controlling factors and people in a project. These include, monitor and control, planning, directiveness, organization and coordination, and prioritization. One of the first competencies used by project managers is planning, which describes the ability to think, make sense of structure and organize information required to achieve a goal in a formal or informal plan.

g. **Cognitive Skills:** Cognitive skills encompass competencies such as problem-solving, creativity and innovativeness, decision-making, critical analysis, strategic perspective and system thinking, vision and imagination, intuitiveness, and learning, which describes abilities related to mental processes of perception, memory, judgment, and reasoning, in contrast with emotional and volitional processes.

h. **Professionalism**: Professionalism represents managerial qualities that can be classified into two major attributes; ethics and accountability. Professionalism addresses how people behave on the job, implying the positive behaviours expected from a professional. Project management ethics describes moral principles that govern professional behaviours when conducting a project. This includes core attributes such as integrity, honesty, respectfulness, loyalty, reliability, punctuality and politeness.

i. **Knowledge and Experience:** The knowledge and experience skill group focus on general knowledge and experiences required from project managers. Competencies such as technical Expertise, experience, business expertise, and administrative expertise were considered as knowledge competencies. Technical expertise describes the knowledge and skills necessary for managing technical tasks, technology, products and the systems involved in the project. Business expertise describes the ability to understand and identify patterns and common behaviours in the industry in which the project is executed.

j. **Project Management Knowledge**: The project management knowledge group is composed of eighteen competencies focused on specialized knowledge, T, and practices, mostly organized into traditional body of knowledge. The traditional project competencies such as management of human resources, time, stakeholders, risk, quality, cost, procurement, scope, resource, communication, requirements, and integration. The additional project management knowledge includes competencies such as methods, client/customer management, health and safety management, knowledge management, change management, and supply chain management.

k. **Personal Skills and Attributes:** The personal skills and attributes competencies focuses on the main individual Project Management characteristics. There are ten competencies categorized under this group. They are achievement orientation, commitment, initiative, confidence, openness, detailing, courage, sense of humor, multi-tasking, and discipline.

The Importance of Managerial Skills in Organizational Settings

The importance of management skills in banking and other organizations is highlighted by various studies. According to Pereira (2013), project managers need both formal training and experiential learning. Montenegro (2019), in echoing this sentiment, also stresses the criticality of technical skills such as budgeting and risk management. Júnior and Carvalho (2003) further underscores the importance of competencies in building project teams and achieving competitive advantages. Shah and Clarke (2009) extend this narrative, emphasizing the significance of project management skills in the e-banking sector, where they are vital for successful technology and change management implementation.

Managerial coaching is crucial in developing the necessary skills and achieving desired results, according to Berg (2007). The correlation between managerial skills and leadership skills are essential for effective organizational development (El-Annan, 2015), especially in the context of knowledge management and competencies in organizations. This is particularly important in the context where systemic and effective knowledge management is key to avoiding fragmentation and loss of learning (Kasvi et al., 2003). Managerial skill is also a key tool for implementing change management in organizations, especially in the face of external influences and frequent changes (Văcar, 2013).

Managerial Skills in Mortgage Banking

The acquisition of management skills has been identified as vital for various aspects of mortgage banking operations, including loan processing, risk management, banking operations, and compliance. Scholars such as Montenegro (2019) emphasize the importance of technical competencies, particularly in budgeting and risk management. Rusanov (2017) highlights the role of project lending in reducing banking risks and stresses the importance of competent and professional behaviour. Sunindijo (2015), On his part, identifies specific skill components that influence project performance, including emotional intelligence, interpersonal skills and budgeting, while Shah and Clarke (2009) viewpoint on electronic banking catered on where management techniques are used to manage different aspects of the banking operations.

Managerial skills are relevant for mortgage bankers because they help them to manage their loan portfolios, and to deliver high-quality products and services to their customers and stakeholders. Mortgage bankers need to have technical skills to plan and control the costs, time, scope, and quality of their loan processes, and to ensure compliance with laws and regulations. They also need to have soft skills to communicate and collaborate with their clients, colleagues, managers, and regulators, and to resolve any issues or conflicts that may arise during the loan processes. Project management skills can help mortgage bankers to improve their productivity, efficiency, customer satisfaction, and profitability (Bankers Bank, 2023).

Some Theoretical Insights on Managerial Skills

The assessment of managerial skills has been done using a range of theoretical models and frameworks. Zhendong (2010) and Shui-b (2014) both developed competency models for management teams and project managers respectively, with the latter drawing on the theory of leadership and competency. The models were found to have good validity and reliability. Rezende and Blackwell (2019) emphasized the importance of emotional intelligence, personnel charisma, and managerial skills in their competency models. Dainty

(2004) further identified 12 core behavioral competencies, including composure and team leadership, that are crucial for effective project management. These models are underpinned by the theory of leadership and competency and are used to predict and assess performance. Pereira (2013) argued that conventional training and experiential learning play a major role in the development of managerial skills and competencies. However, Slavyanska (2017), in addition to emphasizing the importance of managers' competencies in team effectiveness, noted the need for further research to address conceptual ambiguities and shortcomings in these models.

Empirical Insights

Chiekezie et al. (2017), investigated the relationship between

Ayodele (2012), in his study on risk management and project appraisal in Nigerian banking industry, found that risk management kill is a key consideration in investment evaluation among investment bankers. Similarly, Abubakar and Akpan (2020), highlights the significant role of performance management in reducing employees' turnover and improving service quality in the Nigerian deposit money banks. The study found that high level performance among not only reduces employees' turnover, but also enhances quality service delivery.

Ogwu et al. (2023), examined how compensation management impacted on

compensation management and employees' retention of selected commercial banks in Anambra State, Nigeria. They found that compensation management had a positive and significant effect on employees' retention. They suggested that banks should adopt effective compensation policies and strategies to motivate and retain their employees. Furthermore, Aliku et al. (2020), explored the effect of compensation management on employees' performance in the manufacturing industry. They found that compensation management had a positive and significant influence on employees' performance. They advised that organizations should implement adequate and equitable compensation systems to enhance employees' productivity and satisfaction.

employees' performance, considering mortgage banks that operate in Abuja, Nigeria. They found that employees were more committed and creative when compensation was based on performance, seniority, and skill. The study recommended that banks should ensure the practice of employees' compensation is made more flexible and fairer.

Okeke et al. (2019), investigated the effect of project planning skills on project success of selected commercial banks in Lagos State, Nigeria. They found that project planning skills had a positive and significant impact on project success. They recommended that banks should adopt effective project.

Table 1: Descriptive Statistics

	N	Min	Max	Sum	Mean		Std. Dev.	Variance	Skewness		Kurtosis	
	Stat.	Sta.	Stat.	Stat.	Stat.	Std. Error	Stat.	Stat.	Stat.	Std. Error	Stat.	Std. Error
Mgr skills	121	14.00	24.00	2346.00	19.55	.24593	2.694	7.258	.001	.221	-1.279	.438
Emp skills set	121	14.00	25.00	2360.00	19.66	.27151	2.974	8.846	.0.02	.221	-1.289	.438
Mgr co-od	121	13.00	25.00	2350.00	19.49	.25673	2.812	7.909	.026	.221	-1.303	.438
Employee perf	121	14.00	25.00	2349.00	19.57	.29720	3.255	10.599	.144	.221	-1.207	.438

Source: SPSS Output

Methodology

Research Design

In this study quantitative research methods was adopted. Therefore, primary data were obtained from staff of primary mortgage financial institutions using a structured questionnaire administered through on-line survey that gave 121 responses. The data generated for the study were analysed quantitatively by utilizing SPSS as the primary device for data analysis. This decision was grounded in the structured nature of the survey data and the research's objective to quantify relationships between variables using descriptive statistics.

Results and Discussion

Descriptive Statistics

As for managerial skills, respondents evaluated it with a mean number of 19.55 and a standard error of 0.24593 on a scale of 14 to 24. A middle number of 12 less than the mean number indicates its huge impact on the (profitability level) performance of the banks. Also, these figures address a positive evaluation of the banks' performance in that indicates a rise in the profitability level. The significant t probability value of 0.001 indicates its significant impact on the mortgage banks' performance in terms of the profitability level.

On employees skill set practices, the mean reaction remains at 19.66 at a standard error value of 0.27155 on a scale of 14 to 25. A middle number of 12.5 less than its mean number indicate its huge impact on employees' performance. These figures indicate a positive evaluation of employees' performance. The standard deviation was 2.974, showing that the respondents' perspectives on skill set practices were steady. The significant t probability value of 0.02 indicates its significant positive impact on employees' performance.

Managerial coordination has a mean value of 19.49 at a standard error value of 0.25673 on a scale of 12 to 25 indicating a middle number of 12.5 showing that managerial coordination has strong impact on the banks' (market share) performance. The significant t probability value of 0.026 indicates its significant impact on the mortgage banks' performance in terms of the market share value.

Discussion of Findings

The descriptive statistics revealed that managerial skills significantly impact on the mortgage banks' performance in terms of their profitability level. This supports the argument of Ogohi (2019), who postulated in his study that employees' managerial skills set practices play significant role in organizational performance. This has demonstrated why the practice of managerial skill is a necessity in mortgage financing as stipulated by William (2022).

The study also shows that employees' skill set impact significantly on their performance in the banks. Emphasizing further on the relevance of employees' skills in their growth and performance in the mortgage sector, Maryam, Wan and Muhamad (2021), are of the view that mortgage performance is synonymous with employees' performance which largely depends on employees' skill possession and regular training.

Further, the study indicates a significant and strong relationship between managerial coordination and performance of the banks in terms of market share control. This implies that we share the research results of Mahmud (2020), who have created maps of managerial styles in mortgage financing to buttress the relationship between leadership style and the banks' performance including the market share they control. This finding share the same beliefs as those by Team Asana (2021) and William (2022), who concluded that many managerial styles in mortgage management help project their performance.

Conclusion

The study employed the use of questionnaire as a tool of data gathering after which the generated data were appropriately coded for SPSS analysis. The descriptive statistics showed that managerial skills and managerial coordination impact greatly and significantly on the performance of the mortgage banks in terms of profitability level and market share respectively. Similarly, employees' skills set impact greatly on employees' performance. On a general note, managerial skill possession and application in mortgage banking has helped project employees' performance and the banks' overall performance.

Recommendations

- **Persistent Training**: it is suggested that mortgage banks execute persistent training programs to improve employees' use and adoption of managerial skills.
- **Job Role Assignment**: it is suggested the need to incorporate improving the perceivability and appropriateness of employee's job role and standards. The positive correlations between job role and employees' skillset practices support the advancement of clearer and more extensive management systems that address the job role difficulties in many mortgage financing.
- **Managerial Skills:** Additionally, the huge positive correlation between employees' performance and managerial skillset recommends that tending to employees' performance worries can emphatically influence organizational results. William (2019), accentuates the effect of managerial skill practices on employee's job

performance, demonstrating that regular training on managerial skill practices can add to these domains.

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