Humanities & Social Sciences Communications

ARTICLE

https://doi.org/10.1057/s41599-023-02384-5 OPEN

Modelling the influence of managerial competence on managerial performance in the Ghanaian banking sector

Rafida Yahaya[1] & Moses Segbenya[2]✉

The importance of human resource for the success and growth of every organisation, including banks in developing economies, cannot be underestimated. The banking sector in Ghana, a developing economy, has recently faced some significant performance-related difficulties, such as suspending the licences of new banks, raising the minimum capital required, and recording fraud cases. These developments in the banking sector seriously questioned the managerial competencies of bank managers providing leadership roles to these banks in Ghana. It was for this purpose that this study examined the influence of managerial competence on the performance of branch and operational managers in the Ghanaian banking sector. The study sought to achieve, among other things, to explore how managerial competencies such as customer value management, interpersonal, leadership and intrapersonal relate to managerial performance in the banking sector of Ghana. The study adopted the quantitative approach from the positivist philosophical perspective and, specifically, the cross-sectional survey method. A sample of 127 branch and operation managers from the sixteen administrative regions of Ghana was drawn for the study. Data were collected with an adopted questionnaire and analysed with partial least square structural equation modelling. The study found a significant relationship between customer value management, interpersonal, leadership, intrapersonal, technical competencies and managerial performance in the banking sector. The relative importance of each of the five managerial competencies found was customer value management competence, interpersonal competence, leadership competence, intrapersonal competence and technical competence. The study concluded that managerial competence relates to managerial performance in the banking sector in Ghana. The implications of the findings of this study are that human resource managers in the banking sector should pay attention to these managerial competencies in hiring and developing managers for their branch and operational managerial positions in developing economies.

[1] College of Distance Education, University of Cape Coast, Cape Coast, Ghana. [2] Department of Business Studies, College of Distance Education, University of Cape Coast, Cape Coast, Ghana. ✉email: moses.segbenya@ucc.edu.gh

Introduction

The importance of human resource for the success and growth of every organisation cannot be underestimated (Pacuto, 2017). Management is one of the most important human resource components for every organisation (Yahaya, 2022). Management of every organisation provides the vision, direction, motivation and necessary resources and responsibilities carried out by subordinates (Apreku-Djan et al., 2022). Managers serve as the eye of every organisation, and the ability of every organisation to go far, therefore, depends on the kind of leadership provided by these managers (Yahaya, 2022). Meanwhile, the effectiveness and success of the leadership provided by every manager, either at the strategic, tactical or operational level also depends on their managerial competencies (Tyraska, 2016).

The attributes that enable managers to successfully carry out their duties are referred to as managerial competencies (Tyraska, 2016). They consist of the various types and mixtures of information, motivations and abilities needed by managers to succeed at work. These characteristics enable a worker to successfully and excellently carry out their duties. According to Oleksyn (2006) and Tyraska (2016), the major goal of management competencies is to preserve the necessary skills that ensure high-quality work and living. The development of people's capacity to execute the specialised jobs, which enables them to achieve self-fulfilment, is another goal of management competencies. The ability to manage effectively gives managers the ability to raise or improve employees' performance at work. Performance includes, but is not restricted to, how well employees perform given the outcomes and meeting deadlines.

According to Bhardwaj and Punia (2013), a company with competent management cultivates sincere and responsible citizens by reducing employee absenteeism, shirking and other disruptive behaviours. The writers implicitly assert that a company's managerial proficiency permits employees to develop into responsible and devoted workers. Both Haber and Reichel (2007) and Ismaila, Domila and Isab (2014) discovered a significant relationship between managerial skill and staff productivity. Effective managerial competence directly affects employee performance which eventually leads to organisational performance (Ismaila, Domila & Isab, 2014).

Managerial performance also relates not only to the leadership or direction and motivation provided by bank managers but, more importantly, how bank managers are able to meet their targets as individual managers or the targets set for the bank (Pacuto, 2017). These targets are both short and long-term targets or endpoints that evaluate and confirm that the manager and the bank are progressing positively and are gaining returns on shares investment by the owners (Kaiser & Hogan, 2010). Thus, irrespective of what leadership and motivation are provided, it must ultimately lead to enhancing the manager's targets and the general progress of the bank in order to achieve managerial performance. The ability to ensure a blend between leadership and motivation provided leads to managerial performance is also influenced by managerial competence. The exhibition of managerial competence could also be influenced by the behavioural, functional and job competency of the manager as stipulated by the holistic-domain theory of managerial competencies (Assumeng, 2014).

Studies have found the important managerial competencies needed for managerial and organisational success to include communication (Pacuto, 2017), planning and organising (Pacuto, 2017), teamwork (Potnuru & Sahool, 2016) and customer focus competencies (Adefe, 2017; Minsky & Kaufman, 2008). Recently, Apreku-Djan et al. (2022) have identified and classified key managerial competencies based on the holistic competence model to include intrapersonal, interpersonal, leadership, technical and customer value management competencies. Managerial competencies can affect the performance of employees as well as encourage them as they work towards exceeding expectations and putting up the tasks required to show notable positive returns. Combining the right skills with capabilities helps to mobilise the assets needed for effective purposes.

One of the sectors of economies serving as the economic anchor for businesses, governments and individuals is the commercial banking subsector. Commercial banks play crucial roles in universal economies providing loan, investment, and savings opportunities for businesses, governments and individuals. In the era of intense competition in the banking sector with the springing of both domestic and international banks, managers of commercial banks are expected to demonstrate a higher level of competencies to remain competitive and continue to serve as the economic anchor to government, businesses, and individuals (Masoud, Khateeb, 2020, Segbenya (2012)). The banking sector in Ghana has recently faced some significant performance-related difficulties (Apreku-Djan et al., 2022). The Bank of Ghana took a number of actions, such as suspending the licences of new banks and other financial organisations, to safeguard the effectiveness of the banking system. According to the Bank of Ghana (2019b) and Apreku-Djan et al. (2022), these banks included UT Bank Ghana Limited, Capital Bank Limited, UniBank Ghana Limited, The Royal Bank Limited, Beige Bank Limited, Sovereign Bank Limited and Construction Bank Limited. Other initiatives included raising the minimum amount needed from GHS120 million to GHS400 million for both new and existing banks (Ghana Banking Survey, 2018). Other performance-related challenges in the banking sector of Ghana included a recording of fraud cases 2670 and the reported fraud values of GHS 15.51 million in 2019 and GHS 1.0 billion in 2020 (Banks and SDI Fraud Report, 2020; Apreku-Djan et al., 2022).

It is widely accepted that the survival of commercial banks depends largely on their financial performance (Cull et al., 2007), and the performance of the banking sector also largely hinges on the competency of bank managers providing leadership for these banks. Thus, studies on managerial competencies in the banking sector have become more important than before. Meanwhile, existing studies by Laura et al. (2021), Oduro-Nyarko (2019), Sanda (2011), Ssekakubo et al. (2014) have also been limited to managerial competence and financial performance of small businesses. A study by Heerdegen et al. (2020) focused on managerial capacity among district health managers in selected districts in the Volta Region of Ghana, and that of Segbenya et al. (2021) was also limited to employee competencies and employability skills. Thus, there are limited studies on how managerial competence can help address the performance-related challenges in the Ghanaian banking sector.

In terms of what is known in the existing literature, it is clear that managerial competence is very important for providing leadership for the attainment of organisational goals (Laura et al., 2021). The relevance of managerial competence assertion was established by existing studies by Laura et al. (2021), Oduro-Nyarko (2019), Sanda (2011), Ssekakubo et al. (2014) among entrepreneurs, and in the health sector, among others. Existing studies were largely carried out in developed economies, creating a contextual gap. Meanwhile, previous studies failed to critically examine how managerial competence relates to managerial performance in the banking sector, creating a conceptual gap. The methodology deployed for analysis for previous studies has been either descriptive or inferential analysis but without the use of partial least square structural equation modelling (PLS-SEM), creating a methodological gap. Yet, the PLS-SEM method of data analysis is a fourth-generation data analysis that has been very effective in establishing a relationship between variables better than earlier third-generation data analytical tools used by previous studies (Hair et al., 2017; Segbenya, 2012).

Additionally, despite the significant performance-related difficulties such as suspending the licences of new banks and recording of fraud cases in the banking sector of Ghana, it is very difficult to find adequate literature on how the managerial competence of bank managers contributed to these challenges. For this purpose, this study examines the influence of managerial competence on managerial performance in the banking sector of Ghana from the developing economy perspective. These competencies have also been studied from the behavioural, functional and job competency perspectives based on the holistic-domain theory of managerial competencies, which was not the case in existing studies.

Literature review and hypotheses development

This part of the paper addresses the theoretical underpinnings of the study, a conceptual examination of its variables, and how those factors relate to the specific assumptions that the study is based on. The model used to illustrate the theoretical perspective of this study was Assumeng (2014) holistic-domain model of managerial competencies. The behavioural, functional and job competency models are all incorporated into the holistic-domain model of managerial competency (Cheetham & Chivers, 1996, 1998). The model offers additional abilities while incorporating the key elements emphasised by the behavioural, functional and job competency models. Thus, compared to behavioural, functional and job competency models, the holistic approach seems to be more complete. The holistic-domain model of managerial competency has an expanded domain as it captures five key domains essential for managerial performance. The five competencies are technical or business competence, intrapersonal competence, interpersonal competence, leadership competence and career and mentoring competence or skills.

The relevance of the model or theory of holistic-domain model of managerial competency for this study is that managerial competencies are very important for organisational success and managerial performance. However, a manager's ability to exhibit a particular competence is also influenced by the behavioural and functional requirements of the manager. The theory or model also revealed that managerial competencies are of various kinds or categorisations. Thus, the model's implication for this study is that the kind of managerial competence acquired by a bank manager is very important for his/her performance.

Technical or business competence and performance. The technical competence of managers is also called business competence, and it relates to cognitive abilities and technical knowledge needed for the job. Technical competency involves planning, monitoring budgets, forecasting costs and revenues, cutting costs, mapping strategies, evaluating performance, running meetings and organising reports (Reio & Sutton, 2006). Technical competence is, therefore, different from all other categories of managerial competence in that it hardly cuts across sectors because they are specific to each sector or job. Its relevance has been found to be the foundation for performance on the job of every jobholder and for managers (Asumeng, 2014; Boyatzis, 2008).

Oppong and Segbenya (2023) and Chompukum (2011) suggest that apart from general competence, termed as soft skills that cut across sectors, the technical competence of managers is very important in determining managers' performance on the job. Managers though in charge of many other managers overseeing several areas of the organisation, should possess the right level of expertise that relates to their jobs. It is not clear from the literature whether technical competence is enough for managerial performance in the banking sector of Ghana, and there is a need to examine this. It is for this reason that this study hypothesised that:

H1: Technical competence of a manager significantly influences managerial performance in the Ghanaian banking sector.

Intrapersonal competence and performance. This competency encapsulates a manager's "core self-evaluations or conclusions that individuals hold about themselves" and is made up of core self-esteem, generalised self-efficacy, internal locus of control, self-control, emotional stability/emotional skills/emotional intelligence, integrity and resilience (Boyatsiz, 2007; Judge & Bono, 2001; Kaiser & Hogan, 2010). The intrapersonal competence of managers is crucial for their job happiness in addition to being important to their managerial performance (Judge & Bono 2001). Additionally, the foundation of management professions and the basis for managing success are dependent on intrapersonal abilities (Hogan & Warrenfeltz, 2003). One of the managerial competencies found by Oppong and Segbenya (2023) that relate to several sectors relates to intrapersonal competence. While other studies (Asumeng, 2014) think that the technical competence of the manager is more important to the manager's performance, others (Oppong and Segbenya, 2023; Segbenya et al., 2021; Enu-Kwesi et al., 2014; Corban & Strauss, 2008) concluded that other non-technical competencies such as intrapersonal skills are very important for the organisational growth and managerial performance of bank managers. Thus, the debate is inconclusive and this study will need to contribute to filling the gap. It is for this reason that this study hypothesis that:

H2: Intrapersonal skills of a manager significantly influenced his/her performance in the banking sector.

Interpersonal competence of a manager and performance. A manager's relational skills are sometimes referred to as their interpersonal competence. This includes starting, establishing and upholding connections with peers, superiors and subordinates. It is the fundamental managerial competency and a good indicator of managing efficiency and performance (Hogan & Hogan, 2001). The main factor influencing a manager's ability to manage effectively is their interpersonal ties with their subordinates. Since they improve individual welfare, job satisfaction, organisational commitment, organisational citizenship behaviour and performance above all else, high-quality interpersonal interactions with subordinates are crucial (Gerstner & Day, 1997; Schriesheim et al., 1999). Managers do not work in a vacuum but rather exist and work with and through subordinates at the workplace.

Managers' success and performance at the workplace in terms of the attainment of their own goals and that of the bank depends on how subordinates are influenced to carry out their work schedules (Apreku-Djan et al., 2022). Meanwhile, the leader or manager's ability to influence others to do what is required of them depends on the managers' human relational skills (termed as interpersonal competence in this study). This means that a manager who is unable to relate very well with subordinates will not be able to achieve his personal goals and those of the bank. Meanwhile, from a leadership style perspective, it was also found that autocratic leaders, who generally are perceived not to relate well with subordinates, were found to be effective in attaining organisational and managerial performance (Segbenya, & Bonsu, 2019). That suggests that some autocratic leaders are equally doing well with regard to performance even though they might not relate very well with subordinates (Apreku-Djan et al., 2022). The discussion so far suggests that there is no conclusion on the debate about the relevance of the interpersonal competence of managers and how it influences managerial performance. Thus, to contribute to filling the gap, this study hypothesised that:

H3: Interpersonal competence of a manager significantly influences his/her performance in the banking sector.

Managerial leadership competence and performance. An organisation's goals, mission or vision can be attained by individuals and groups when individuals and groups are motivated, inspired and led to do so (Chemers, 2001). To persuade others to act favourably in order to achieve the organisational goals or personal performance targets, it places a strong emphasis on persuasion, goal setting and team building (Furnham, 2002; Judge & Bono, 2001). Effective leadership behaviour has significant effects on performance, work attitudes and well-being. Since most organisations have a tendency to be over-managed and under-led, managers must exhibit leadership abilities and traits (Korterman, 2006). A first-class manager or leader-manager is a manager who possesses strong leadership skills as opposed to a routine manager who is more focused on technical competencies.

Managers behave differently from leaders in that managers with leadership competence do exploit. That is, managers maintain the status quo while managers with leadership skills or competence challenge the status quo (Sanda, 2011). Thus, for banks to venture into new areas, break and set new positive records depends on bank managers who will have leadership competence (Ssekakubo et al., 2014). Despite the importance of leadership competence for bank managers, it is not clear the extent to which bank managers in a developing economy like Ghana possess this competence and how this competence is used to achieve managerial competence in the banking sector. It, therefore, stands to reason that this managerial competence could influence managerial performance in the banking sector. Based on the foregoing relevance of managerial leadership competence for bank managers, this study, therefore, hypothesised that:

H4: Managerial leadership competence has a significant influence on his/her performance in the banking sector.

Customer focus/value management competences. This competence of a manager describes his/her ability to understand customers' needs. This competence is required to satisfy the needs of customers and ensure customer loyalty for every organisation. The effective completion of deliveries and the development of high-standard assistance that meets client expectations while taking into account the diverse tastes of these clients are both highly dependent on a thorough understanding of the requirements and expectations of the client (Mulder et al., 2016). As a result, businesses can benefit from a lasting relationship with happy and devoted customers (Mulder et al., 2016). By assuring customer satisfaction, assessing and controlling the risk to customers associated with service expansions, and juggling economic considerations with the requirement for customer satisfaction, managers demonstrate their managerial talents. Competent managers use data from a variety of organisational sources to detect and assess the danger to customers; they also use evidence (both good and negative) to pinpoint potential solutions, among others (Adefe, 2017).

Customers of every bank remain the most important stakeholder, debatably, before employees. Without customers, there will not be workers (Segbenya et al., 2021). The ability to attract customers is key for the establishment and growth of every organisation, including banks before employees are brought on board to attend to workers. The importance of customers is justified by the fact that sole proprietors without employees are able to work to meet the needs of their customers (Segbenya, Oppong & Nyieku, 2021). Bank managers who superintend the direction and administration of the bank need to know how to attract new customers, especially in the midst of severe competition due to new entrants in the banking sector. Despite the relevance of customer focus competence for managers, it is not clear the extent to which bank managers in developing economies possess this competence and how this competence is used to improve managerial performance in the banking sector of Ghana. It is for this reason that this study hypothesised that:

H5: Customer value management competence of managers significantly influences performance in the banking sector.

Managerial performance

According to Koopmans, Bernards, Hildebrandt, Schaufeli, de Vet and van der Beek (2011), dimensions including task performance, contextual performance, adaptive performance and counterproductive work behaviour are appropriate ways to conceptualise employee or managerial performance. Task completion, task aggregate, task standards, task expertise, task comprehension, and tidy and correct work behaviour are all aspects of task performance (Koopmans et al., 2011). Contextual performance refers to characteristics like extra work, initiative, excitement, focus on duty, resourcefulness, tenacity and motivation. Dedication, initiative, creativity, helping others, cooperation, civility, effective communication, interpersonal interactions, organisational commitment, and other factors are also relevant to context performance (Koopmans et al., 2011).

According to Koopmans et al. (2011), the adaptable performance of an employee or manager refers to implementing contemporary ideas, creative thinking, altering aims and planning to match a set of circumstances, understanding modern occupations and mechanisation, having the ability to change, and being receptive to others. Finally, counterproductive work behaviour explains, among other things, work attitude, frequent rest times, presence, absenteeism, complaints, wrong job performance, unpleasant events, and spreading of misleading information about other employees (Koopmans et al., 2011). Based on the conceptual and theoretical review, a conceptual framework carved to guide the study can be seen in Fig. 1.

Methodology

The study adopted the quantitative approach and, specifically, the cross-sectional survey design for this study. A sample of 127 bank managers (branch managers and operation managers) from all sixteen administrative regions in Ghana served as the respondents for this study. A purposive sampling technique was adopted for the study to ensure that all experts and knowledgeable respondents in the population (banking sector) were identified. The data collection instrument was adopted from Apreku-Djan et al. (2022). The questionnaire was divided into two main parts: the demographic characteristics of respondents and the remaining managerial competence and performance in the banking sector (Creswell, 1994).

The instrument was measured on a four-point modified Likert scale where 1 = strongly disagree, 2 = disagree, 3 = agree, and 4 = strongly agree. Regarding variables, managerial performance was measured with task performance, contextual performance, adaptive performance and counterproductive work behaviour. Managerial competencies were also measured with five key constructs: technical, intrapersonal, interpersonal, leadership and customer focus/management competencies. In terms of the validity and reliability of the instrument, the pre-test results presented in Table 1 suggest that the instrument achieved reliability and validity status and could be used for data collection. This is because all the Cronbach Alpha values for all the variables

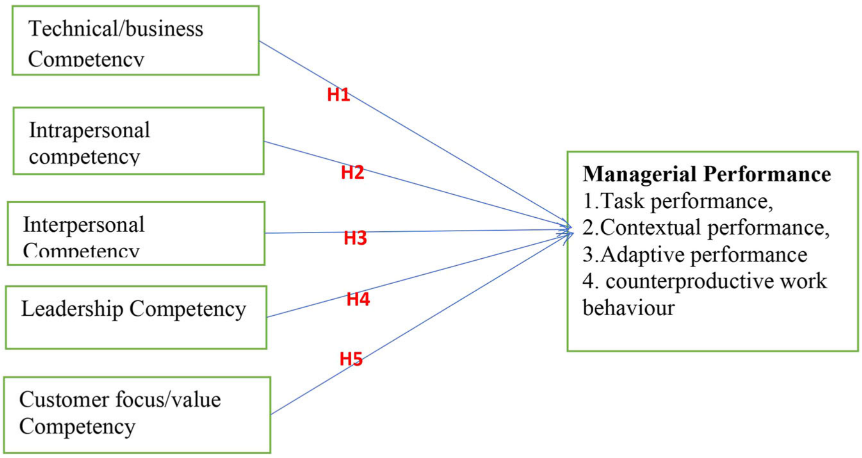

Fig. 1 Conceptual framework guiding the study. Relationship between dependent and independet variables of the study.

Table 1 Reliability results for the variables of the study.

Variable	Cronbach's Alpha	*N* of Items
Technical/business competencies	0.891	10
Intrapersonal competence	0.877	14
Interpersonal competence	0.822	5
Leadership competence	0.851	5
Customer focus/value management competence	0.818	5
Employee performance	0.886	9

Table 2 Sociodemographic characteristics of respondents.

Variables	Frequency	Percentage
Age of respondent		
26–30	39	30.8
31–35 and above	42	32.7
36 years and above	46	36.5
Total	127	100.0
Sex		
Female	59	46.2
Male	68	53.8
Total	127	100.0
Marital status		
Single	59	46.2
Married	61	48.1
Widowed	7	5.8
Total	127	100.0
Managerial experience		
3–5 years	39	30.8
Above 5 years	88	69.2
Total	127	100.0

were above the 0.70 threshold recommended by Segbenya et al. (2022), Segbenya & Anokye (2022) and Henseler et al. (2015).

The Department of Business Studies of the College of Distance Education of the University of Cape Coast, Ghana granted the ethical clearance to the first author of this paper on behalf of the institutional review board (IRB) of the (University of Cape Coast, Ghana) for conducting this study. All ethical consideration was ensured, including anonymity, consent, freedom to participate or withdraw, no harm to research subjects and confidentiality. Data were analysed with PLS-SEM.

Results and findings

The presentation of the results for this section is divided into three parts: demographic characteristics of managers surveyed, preliminary analysis for testing the validity of the PLS-SEM model used and main results for testing the hypotheses of the study. The results for the first part of the analysis on the demographic characteristics of respondents can be found in Table 2. The results revealed that most of the respondents were 36 years and above (36.5%), were male respondents (53.8%), were married (48.1%), and had more than 5 years of managerial working experience in the banking sector (69.2%).

The results for the outer loading presented in Table 3 are the first part of the preliminary analysis to test the model, and individual items measuring the various variables of the study were checked. The results in Table 3, based on the minimum acceptable criterion of 0.70 to maintain an item for a variable (Segbenya et al., 2022), revealed that only five items were good for measuring customer focus/value management competence. Also, nine items were found good at measuring interpersonal competence, seven for measuring intrapersonal competence, fems for leadership competence, ems for managerial performance, and lastly, thems for technical or business competence.

It is also important to note that the pictorial confirmation of the acceptable items measuring the study's variables maintained in this study is further supported by Fig. 2. Thus, the algorithm results further confirm that these items were good to be used to measure the individual variables of the study.

Further preliminary analysis for testing of the PLS-SEM model used in this study is the construct validity and reliability, and the results are presented in Table 4. Four indices were used to assess the construct reliability and validity: Cronbach's Alpha, rho_A, composite reliability and average variance extracted (AVE). The minimum criteria for the first three indices were 0.70, as suggested by Hair et al. (2017), and that of the last indices is 0.50, based on the recommendation of King et al. (2015). The results in Table 4 revealed that all values obtained for six variables of the study under Cronbach's Alpha, rho_A, and Composite Reliability were all above the 0.70 minimum thresholds. Additionally, the results for all six variables of the study were also above the 0.50 minimum threshold. The results confirm that the data and PLS-SEM model achieved reliability and validity and could be used to analyse any further inferential statistics.

Discriminant validity. Another preliminary analysis conducted was discriminant validity, and the results are shown in Table 5.

Table 3 Outer loadings.

	CUS FV COMP	INTER COMP	INTRA COMP	LEAD COMP	MAG PERF	TECH COMP
CC1		0.740				
CC10		0.812				
CC3		0.827				
CC4		0.746				
CC5		0.829				
CC7		0.811				
CC8		0.885				
CC9		0.858				
CF1	0.829					
CF2	0.842					
CF3	0.903					
CF4	0.905					
CF5	0.766					
EP1					0.708	
EP5					0.909	
EP6					0.813	
EP7					0.902	
EP8					0.915	
EP9					0.925	
POC11			0.834			
POC12			0.800			
POC13			0.792			
POC14			0.728			
POC4			0.796			
POC5			0.807			
POC9			0.708			
ST3						0.806
ST4						0.916
ST5						0.870
T1				0.845		
T2				0.894		
T3				0.825		
T4				0.833		
T5				0.738		

Source: Field data (2023).

The assessment was based on a maximum threshold of 0.850 for Heterotrait-Monotrait Ratio (HTMT) and Fornell-Larcker Criterion recommended by Hair et al. (2017). The results in Table 5 revealed that all six variables of the study recorded values below the maximum threshold of 0.850 for both the Heterotrait-Monotrait Ratio (HTMT) and Fornell-Larcker Criterion. The results, therefore, suggest that the PLS-SEM achieved a discriminant validity and could be used for any further inferential analysis.

Collinearity test. The last preliminary test conducted for the PLS-SEM was the presence of multicollinearity and a maximum threshold of 3.30, as suggested by Hair et al. (2017). The results obtained for the multicollinearity, using the inner value, are presented in Table 6. The results show that all values obtained were below the maximum threshold, suggesting that there was no multicollinearity, which could cause two different variables to measure the same thing.

Testing hypotheses for the study. Results for the five hypotheses of the study testing for the relationship that exists between the five independent variables and one dependent variable of the study are presented in Table 7. The value of 0.532 obtained for the *R*-square and further supported by the adjusted *R*-square means that the cumulative power of the five independent variables of the study in explaining managerial performance as the dependent variable was approximately 53 percent. This further means that other factors not considered in this study could explain the remaining 47 percent variance in managerial performance in the banking sector.

In terms of the specific relationship, it can be seen that customer focus/value management competence (Cus. FV Comp) significantly influenced managerial performance (Mag. Perf) at ($\beta = 0.520$, $t = 10.639$, $P = 0.000$) for the first hypothesis. Additionally, interpersonal competence (Inter Comp) had a significant influence on managerial competence at ($\beta = 0.222$, $t = 4.674$, $P = 0.000$) for hypothesis two, and there was a significant relationship between intrapersonal competence (Intra comp) and managerial performance at ($\beta = 0.196$, $t = 3.371$, $P = 0.001$) for hypothesis three. Furthermore, the results revealed that leadership competence significantly influenced managerial competence at ($\beta = 0.172$, $t = 3.518$, $P = 0.000$) for hypothesis four. Finally, technical or business competence had a significant relationship with managerial competence at ($\beta = 0.078$, $t = 2.200$, $P = 0.028$) for hypothesis five.

The significance path established in Table 7 for testing the study's hypotheses is further depicted by a pictorial representation. Thus, the bootstrapping results reported in Fig. 3 show that all the *t*-values values obtained were above the minimum threshold of 1.96 and above for significant path relationships between two variables.

Discussion of results

The findings of this study that there was a significant relationship between customer focus/value management competence and managerial performance for hypothesis one can be explained further. The results mean that among all the five variables used to explain the variance in managerial competence, customer focus/value competence tops them all in terms of the relevance of the competencies considered in this study. The results further mean that any percentage increase in competence for managing customers will yield about 10.6 times the percentage increase in managerial performance. That is managerial performance in the banking sector of Ghana and in a developing economy can be highly influenced if managers have a high level of competency in identifying customers, addressing customers' challenges, retaining customers and ensuring customer loyalty through customer satisfaction in the banking sector. The results corroborate the earlier findings of Apreku-Djan et al. (2022) and Adefe (2017) that customer value management competence significantly influences managerial performance. Thus, the position of the holistic-domain theory of managerial competencies that managers need specific managerial competence, such as customer-focused competence (Assumeng, 2014)., to perform well is justified and contributed to in terms of its importance in the banking sector of a developing economy.

The findings of this study for the second hypothesis that there was a significant relationship between interpersonal competence and managerial competence have several implications. The results mean that managers who are able to initiate, build and maintain good and cordial relationships with subordinates, peers, and superiors stand a better chance to succeed in the banking sector than managers who do not have such interpersonal qualities. Therefore, any percentage increase in enhancing a manager's interpersonal competence will result in about a 4.7 percent increase in the manager's performance in the banking sector of a developing economy. The results are in tandem with the earlier findings of Asumeng (2014), and Apreku-Djan et al. (2022), that interpersonal competence increases employee performance. The behavioural component of the holistic-domain theory of managerial competencies

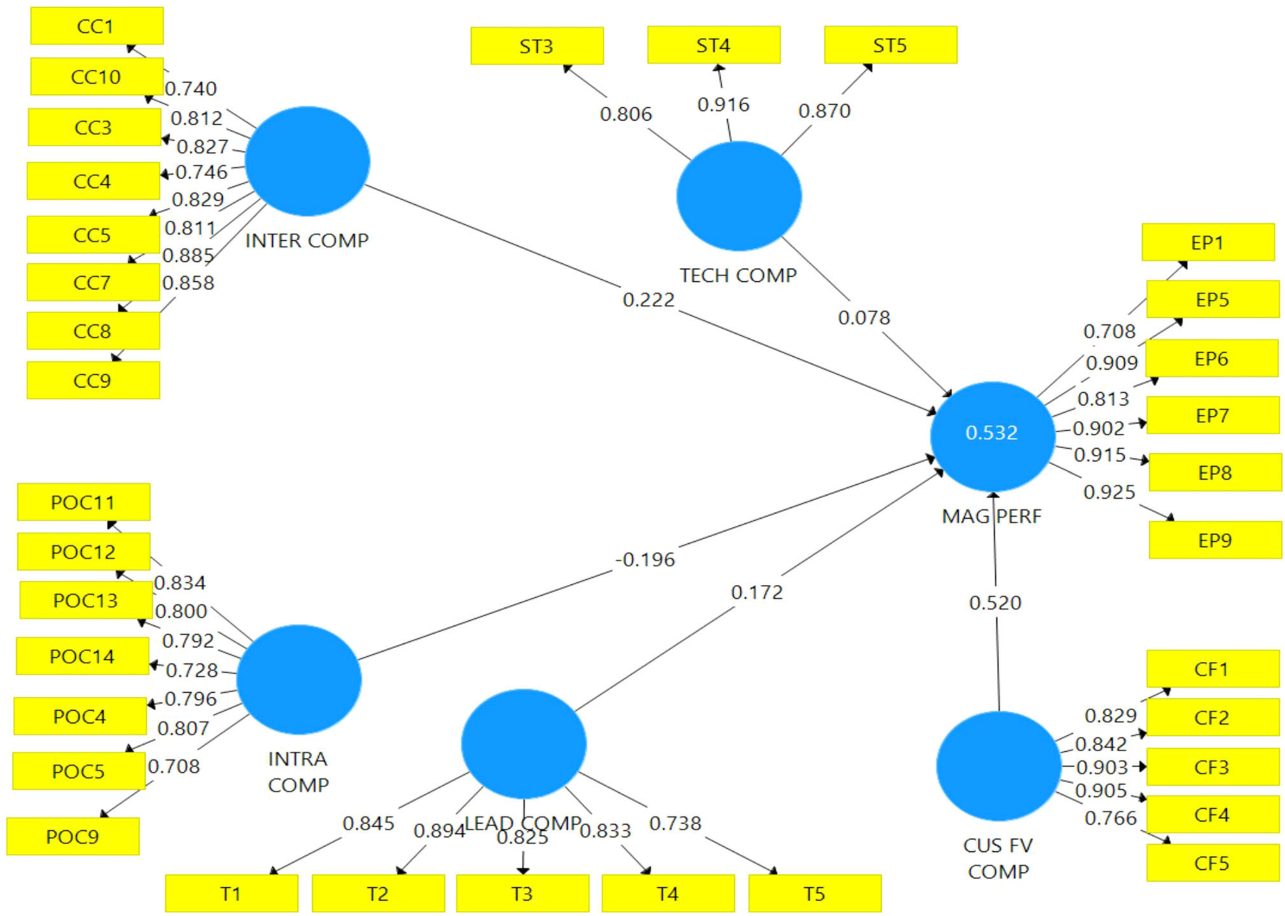

Fig. 2 Algorithm of Items measuring variables of the study. Performance of items measuring each variable of the study.

Table 4 Construct reliability and validity.

	Cronbach's alpha	rho_A	Composite reliability	Average variance extracted (AVE)
CUS FV COMP	0.904	0.911	0.929	0.724
INTER COMP	0.927	0.932	0.940	0.664
INTRA COMP	0.902	0.936	0.917	0.611
LEAD COMP	0.885	0.896	0.916	0.686
MAG PERF	0.931	0.931	0.947	0.749
TECH COMP	0.831	0.850	0.899	0.748

(Assumeng, 2014) is therefore supported by this finding of the study. The relevance of this competence in the banking sector is not found in the literature. This study has extended the theory and its application to the banking sector.

Hypothesis three established a significant relationship between intrapersonal competence and managerial performance in the banking sector. The results mean that managers of banks in a developing economy like Ghana can be enhanced if much attention is given to appointing managers with high intrapersonal competence. That is, managers with high levels of core self-esteem, generalised self-efficacy, internal locus of control, self-control and emotional stability/emotional skills/emotional intelligence have a better chance of performing in the banking sector as compared to their counterparts without or low level of these traits. This means that a percentage increase in the intrapersonal competence of a manager will lead to about a 3.4 percent increase in the performance of a manager in the banking sector. The results corroborate the findings of Kaiser & Hogan (2010) that intrapersonal competence influences performance among workers.

Further explanation can also be adduced for the findings for hypothesis four that there was a significant relationship between the leadership competence of a manager and managerial performance in the banking sector of a developing economy. The results mean that managers performance in terms of achieving targets and growing their banks if they (managers) have a level of leadership competence. That is, an increase in the leadership competence of a manager will result in a 3.5 percentage increase in a manager's performance in the banking sector. That is managers with a high level of ability to influence, motivate and direct individuals and groups to achieve the organisational goals, mission or vision have a higher probability of succeeding as branch or operation managers in the banking sector. The findings of Apreku-Djan et al. (2022) that leadership competence influences managerial performance is therefore upheld by the findings of

Table 5 Fornell-Larcker Criterion and Heterotrait-Monotrait Ratio (HTMT).

	CUS FV COMP	INTER COMP	INTRA COMP	LEAD COMP	MAG PERF	TECH COMP
Fornell-Larcker Criterion						
CUS FV COMP	0.841					
INTER COMP	0.718	0.815				
INTRA COMP	0.641	0.710	0.782			
LEAD COMP	0.688	0.514	0.616	0.829		
MAG PERF	0.702	0.575	0.431	0.555	0.846	
TECH COMP	0.387	0.382	0.387	0.401	0.357	0.845
Heterotrait-Monotrait Ratio (HTMT)						
CUS FV COMP	0					
INTER COMP	0.785	0				
INTRA COMP	0.673	0.788	0			
LEAD COMP	0.793	0.589	0.652	0		
MAG PERF	0.755	0.611	0.400	0.602	0	
TECH COMP	0.447	0.431	0.399	0.468	0.404	0

Table 6 Inner VIF values.

	CUS FV COMP	INTER COMP	INTRA COMP	LEAD COMP	MAG PERF	TECH COMP
CUS. FV COMP					2.905	
INTER COMP					2.711	
INTRA COMP					2.457	
LEAD COMP					2.199	
MAG PERF						
TECH COMP					1.264	

Table 7 Path coefficients.

Variables						Confidence intervals		
	Original sample (O)	Sample mean (M)	Standard deviation	*T* statistics	*P* values	2.5%	97.5%	f^2
1. Cus. FV Comp→Mag Perf	0.520	0.518	0.049	10.639	0.000	0.421	0.615	0.199
2. Inter Comp →Mag Perf	0.222	0.221	0.047	4.674	0.000	0.130	0.318	0.039
3. Intra Comp →Mag Perf	0.196	0.191	0.058	3.371	0.001	0.298	0.082	0.033
4. Lead Comp →Mag Perf	0.172	0.171	0.049	3.518	0.000	0.080	0.266	0.029
5. Tech Comp →Mag Perf	0.078	0.081	0.036	2.200	0.028	0.013	0.158	0.010
	R-square						*R*-square adjusted	
MAG PERF	0.532						0.527	

this study. Thus, the relevance of leadership competence for managers as found by the holistic-domain theory of managerial competencies (Assumeng, 2014) is relevant in developed economies and the banking sector of developing economies.

The findings for the last hypothesis of this study that the technical competence of managers significantly influences managerial performance in the banking sector can be explained further. That is, managers with high levels of cognitive abilities and technical knowledge needed for their jobs are more likely to succeed in managerial performance in the banking sector than their counterparts with low technical skills. Thus, a percentage increase in the technical competence of branch managers and operation managers in a developing economy's banking sector will lead to a 2.2 percent increase in managerial performance. The results are in agreement with the findings of Apreku-Djan et al. (2022) that managers with a high level of business knowledge or technical competence are more likely to perform better than their counterparts with a low level of technical competence.

Theoretical and practical implications

The findings of this study have a number of theoretical and practical implications. That is, though intrapersonal, interpersonal, leadership, technical and customer value management competencies anchored in the competence model used for this study, the findings of this study have shown the relative importance of each of these competencies for the banking sector. That is in terms of the relative importance of managerial competence for higher managerial performance in the banking sector of a developing economy, and this study found that customer value management competencies were the most important managerial

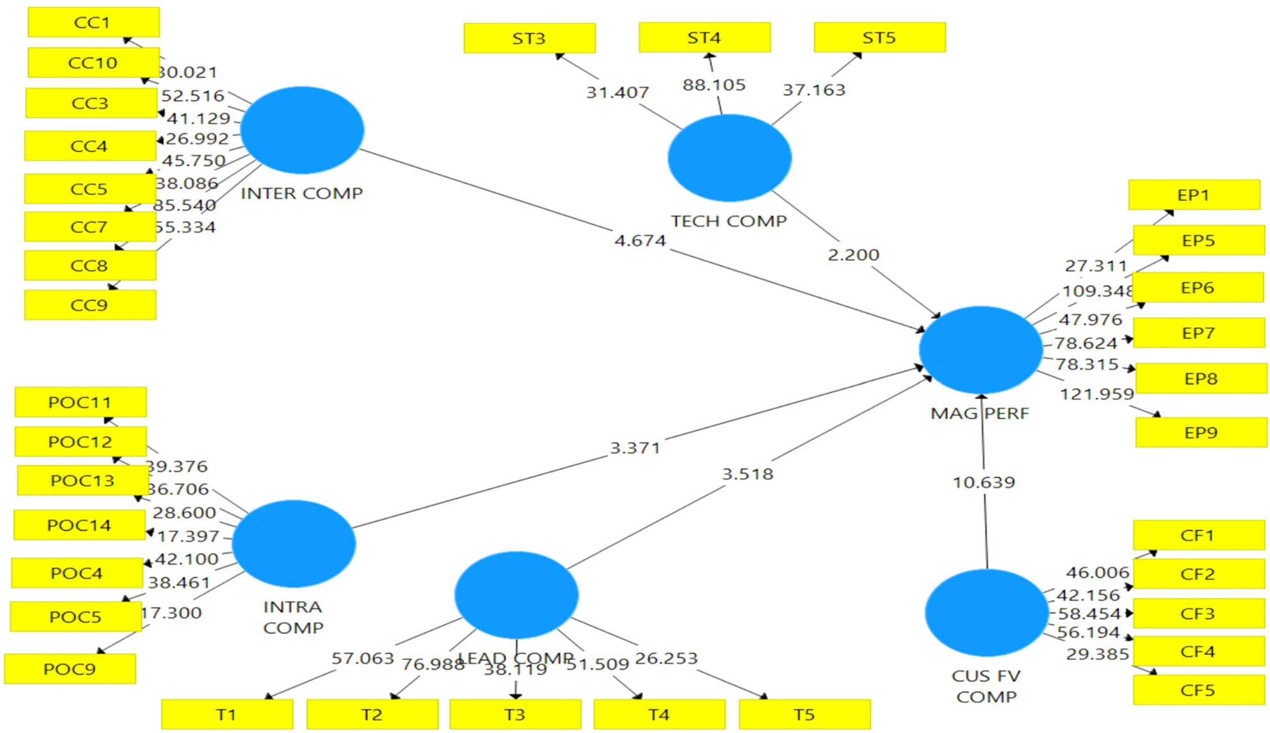

Fig. 3 Bootstrapping results. Path relations results for testing of hypotheses of the study.

competence. The second and third most important managerial competencies found by this study were interpersonal and leadership competencies, respectively.

The last two important managerial competencies for the banking sector found by this study were intrapersonal and technical competence of managers in the banking sector. Though the relevance of these competencies has been proven in other sectors, this study has further shown that these competencies are also important for managers in the banking sector of a developing economy. The findings also have some practical implications for the recruitment, selection, placement and promotion of managers in terms of branch managers and operations managers in the banking sector. This means that human resource managers must be guided by the important competencies in employing and promoting managers to branch and operations managers positions in the banking sector in a developing economy.

Conclusion and recommendations

This study modelled the influence of managerial competence on managerial performance in the banking sector of a developing economy. It can be concluded that the important managerial competencies influencing managerial performance in the banking sector were customer value management competencies, interpersonal, leadership, intrapersonal, and technical competence. The conclusions demand specific actions to be taken by owners and human resource managers of banks in a developing economy to influence managerial performance in the banking sector.

Therefore, human resource managers should pay attention to the most important managerial competencies in the banking sector when employing and promoting branch managers and operations managers. That is, human resource managers should deliberately groom successors to managerial positions in the banking sector by paying attention to the competencies found by these studies. Thus, human resource managers should use either on-the-job or off-the-job or both to ensure that succeeding managers are put under senior managers who could be of help in these regards. This will help HR managers. Meanwhile, if a manager is hired from an external source, then that manager should have an appreciable level of these traits or competencies before he/she is hired.

It is further recommended that human resource managers should find a way of equipping existing branch and operations managers of banks in Ghana with customer value management competencies, interpersonal, leadership, intrapersonal, and technical competence. This is needed to ensure that existing managers perform very well for their banks. Human resource managers could consider using job rotation, coaching, understudy, management games, and case studies to develop their existing branch and operations managers in the banking sector. Thus, to ensure that existing managers enhance their leadership role in the banking sector, human resource managers' support for equipping existing managers with the necessary managerial competencies is seriously recommended.

Data availability

The datasets for this study are available from the corresponding author upon reasonable request.

Received: 22 April 2023; Accepted: 8 November 2023;
Published online: 21 November 2023

References

Adefe K (2017) A study of competency as a driver for business performance in Nigerian banks. Doctoral thesis, University of Sunderland, Downloaded from: http://sure.sunderland.ac.uk/id/eprint/8550/

Apreku-Djan PK, Ameyaw F, Ayittah SK, Opare EA, Apreku IKO (2022) Effect of managerial competence on value-based financial performance of banks. Int J Acad Res Bus Soc Sci 12(7):692–726

Asumeng A (2014) Managerial competency models: a critical review and proposed holistic-domain model. J Manag Res 6(4):1–20

Bank of Ghana (2019b) Press release: notice of revocation of licences of insolvent microcredit companies", available at: www.bog.gov.gh/wp-content/uploads/2019/07/notice-of-revocationof-licences-of-insolvent-microcredit-companies.pdf

Banks & SDI Fraud Report (2020) The 2020 banking industry fraud report. https://www.bog.gov.gh/wpcontent/uploads/2020/08/SUMMARY-OF-2020-FRAUD-REPORT.pdf. Accessed 30 Aug 2023

Bhardwaj A, Punia BK (2013) Managerial competencies and their influence on managerial performance: a literature review. Int J Adv Res Manag Soc Sci 2(5):70–84

Boyatzis RE (2008) Competencies in the twenty-first century. J Manag Dev 27(1):5–12

Boyatzis RE (2007) Competencies in the 21st century. J Manag Dev 27(1):5–127

Cheetham G, Chivers G (1998) The reflective practitioner: a model of professional competence which seeks to harmonise the reflective practitioner and competence-based approaches. J Eur Ind Train 22(7):267–276

Chemers MM (2001) Leadership effectiveness: an integrative review. In: Hogg MA, Tindale RS (eds.). Blackwell handbook of social psychology: group processes. Oxford, UK: Blackwell. pp. 376–399

Chompukum P (2011) Performance management effectiveness in Thai banking industry: a look from performers and a role of interactional justice, Pachsiry Chompukum Chulalongkorn University. J Int Bus Cult Stud 2(4):23–39

Corban J, Strauss A (2008). Basics of qualitative research: Techniques and procedures for developing grounded theory. 3rd edn.. Thousand Oaks, CA: Sage, London, UK

Creswell JW (1994) Research design: qualitative and quantitative approaches. Sage Publications, London, UK

Cull R, Demirguç-Kunt A, Morduch J (2007) Financial performance and outreach: A global analysis of leading microbanks. R Econ Soc 5(1):107–133

Enu-Kwesi F, Koomson F, Segbenya M, Annan-Prah EC (2014) Determinants of employee retention in Ghana Commercial Bank, Kumasi. Eur J Contemp Econ Manag 1(5):1–14

Furnham A (2002) The psychology of behaviour at work: the individual in the organisation. Psychology Press, Hove

Ghana Banking Survey Report (2018) https://www.bog.gov.gh/wp-content/uploads/2021/08/THE-2020-BANKING-INDUSTRY-FRAUD-REPORT.pdf. Accessed 30 Aug 2022

Gerstner CR, Day V (1997) Meta-analytic review of Leader-Member-Exchange Theory: correlates and construct issues. J Appl Psychol 82:827–844. https://doi.org/10.1037/0021-9010.82.6.827

Haber S, Reichel A (2007) The cumulative nature of the entrepreneurial process: The contribution of human capital, planning and environment resources to small venture performance. J Bus Ventur 2(2):119–145

Hair JF, Hult GTM, Ringle CM, Sarstedt M (2017) A primer on partial least squares structural equation modelling. 2nd edn. Sage, Thousand Oaks

Henseler J, Ringle CM, Sarstedt M (2015) A new criterion for assessing discriminant validity in variance-based structural equation modelling. J Acad Market Sci 43(1):115–135

Heerdegen ACS, Aikins M, Amon S, Agyemang SA, Wyss K (2020) Managerial capacity among district health managers and its association with district performance: a comparative descriptive study of six districts in the Eastern Region of Ghana. PLoS ONE 15(1):e0227974

Hogan R, Hogan J (2001) Assessing leadership: a view from the darkside. Int J Select Assess 9(2):40–51. https://doi.org/10.1111/1468-2389.00162

Hogan R, Warrenfeltz R (2003) Educating the modern manager. Acad Manag Learn Educ 2(1):74–84

Ismaila MD, Domila AKA, Isab AM (2014) Managerial competence, relationship quality and competitive advantage among SME Exporters. Proc Social Behav Sci 1(15):138–146

Judge TA, Bono JE (2001) Relationship of core self-evaluations traits—self esteem, generalised self-efficacy, locus of control, and emotional Stability—with job satisfaction and job performance: a meta-analysis. J Appl Psychol 86(1):80–92. https://doi.org/10.1037/0021-9010.86.1.80

Kaiser RB, Hogan R (2010) How to (and how not to) assess the integrity of managers. Consult Psychol Res Pract https://doi.org/10.1037/a0022265

King K, Florida R, Mellander C (2015) The global creativity index 2015. Martin Prosperity Institute

Koopmans L, Bernaards CL, Hildebrandt VH, Schaufeli WB, de Vet HCW, van der Beek AJ (2011) Conceptual frameworks of individual work performance: a systematic review. J Occup Environ Med 53(8):856–866

Kotterman J (2006) Leadership versus management: what is the difference? J Qual Participat 29 (Summer 2006):13–17

Laura OA, Justus A, Benjamin M (2021) The contribution effect of management accountant's competence and management accounting practices on financial performance of manufacturing firms. Orsea J 10(2):1–15

Masoud EY, Khateeb LA (2020) The influence of managerial competencies on the business performance in the small business funded by Jordan River Foundation. Eur J Bus Manag 5(3):20–33

Minsky HP, Kaufman H (2008) Stabilising an unstable economy (vol. 1). McGraw-Hill, New York

Mulder BC, van Lelyveld MA, Vervoort SC, Lokhorst AM, van Woerkum CM, Prins JM, de Bruin M (2016) Communication between HIV patients and their providers: a qualitative preference match analysis. Health Commun 31(1):35–46

Oduro-Nyarko C (2019) Analysing the entrepreneurial competencies that characterises the success of female-led enterprises in Ghana. Master's Degree, University of Ghana

Oleksyn T (2006) *Zarządzanie kompetencjami.* Teoria i praktyka, Oficyna Ekonomiczna, Kraków

Oppong NY, Segbenya M (2023) Inter-sector managerial skills requirements in Ghana: Group interactive brainstorming approach. Soc Sci HumanitOpen 8(1):1–11. 100594

Pacuto SN (2017) Management competencies and staff performance in Muni University, Uganda Technology and Management Universit. J Bus Manag 4(2):23–39

Potnuru RKG, Sahool CK (2016) HRD interventions, employee competencies and organisational effectiveness: an empirical study. Eur J Train Dev 40(5):345–365

Reio Jr TG, Sutton FC (2006) Employer assessment of work-related competencies and workplace adaptation. Hum Resour Dev Q 17(3):305–324

Schriesheim CA, Castro SL, Cogliser CC (1999) Leader-member exchange research: a comprehensive review of theory, measurement, and data-analytic practices. Leadersh Q 10:63–113. https://doi.org/10.1016/S1048-9843(99)80009-5

Sanda AU (2011) Board independence and firm financial performance: Evidence from Nigeria. AERC Research Paper 23. African Economic Research Consortium, Nairobi

Segbeny, M (2012) Importance of employee retention for attainment of organisational goals at Ghana Commercial Bank, Kumasi. Masters thesis, University of Cape Coast

Segbenya M, Oppong NY, Nyieku IE (2021) Elements of working conditions and retention of course tutors in distance education in Ghana. J Bus Enterpr Dev 10:29–49

Segbenya M, Bonsu OE (2019) Performance appraisal and employee development in the University of Education, Winneba, Ghana. Int J Bus Manag 14(8):83–94

Segbenya M, Oppong NY, Baafi-Frimpong SA (2021) Effect of COVID-19 on the acquisition of employable skills among national service personnel in Ghana. Jo Work-Appl Manag 13(2):215–225

Segbenya M, Oppong NY, Baafi-Frimpong SA (2021) The role of national service in enhancing employability skills of tertiary graduates in Ghana: a case of national service personnel in the Central Region. High Educ Skills Work-Based Learn. 11:1089–1105

Segbenya M, Anokye FA (2022) Challenges and coping strategies among distance education learners: implication for human resources managers. Curr Psychol 1–15. https://doi.org/10.1007/s12144-022-03794-5

Segbenya M, Bervell B, Minadzi VM, Somuah BA (2022) Modelling the perspectives of distance education students towards online learning during COVID-19 pandemic. J Smart Learn Environ9(13):1–18

Ssekakubo G, Suleman H, Marsden G (2014) A streamlined mobile user interface for improved access to LMS services. In: White S (ed.) Proceedings of the Sixth International Conference on Mobile, Hybrid, and On-line Learning eLmL 2014, Barcelona, 23–27 March. Wilmington, DE: International Academy, Research, and Industry Association (IARIA). pp. 92–101 Retrieved 18 March 2021 from https://www.thinkmind.org/articles/elml_2014_4_40_50031.pdf

Tyraska M (2016) Managerial competencies for various management levels. Zeszyty Naukowe Uniwersytetu Ekonomicznegow Krakowie

Yahaya R (2022) Managerial competence and employee performance at the National Investment Bank, Tamale. Masters's Degree, College of Distance Education, University of Cape Coast

Acknowledgements
We acknowledge the support received from all respondents who took time off their busy schedules to respond to this study. There was no funding for this study.

Author contributions
RY was responsible for the conceptualisation of the topic, literature review, and data collection. MS was responsible for data analysis, writing the research report, and proofreading the manuscript.

Competing interests
The authors declare no competing interests.

Ethical approval

The Department of Business Studies, College of Distance Education, University of Cape Coast granted the ethical clearance on behalf of the Institutional Review Board of the University to the first author of this paper with reference number *SB/DHR/19/0116*. The first author was a student of the university and this article was carved out of the data for her master's dissertation.

Informed consent

All respondents of this study participated in this study with clear consent to participate in this study.

Additional information

Supplementary information The online version contains supplementary material available at https://doi.org/10.1057/s41599-023-02384-5.

Correspondence and requests for materials should be addressed to Moses Segbenya.