A STUDY ON POWER DISTANCE AND INNOVATION CAPABILITY IN SELECTED BREAD BAKING FIRMS IN LAGOS METROPOLIS, NIGERIA

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Abstract

Scholars in the field of management have recognised socio-cultural environment as one of the most important factors affecting behaviours of individuals and groups in the organisations. This study investigates the effect of power distance on innovation capability in bread baking firms in Lagos metropolis, Nigeria. Fifty-six firms were selected for the study using snowballing sampling technique. To operationalize power distance an eight-item scale was used. A Likert scale where 1 = Strongly disagree and 5 = Strongly agree was used to capture respondents' perception about the practice of power distance in their organizations. Means of responses for each item on the scale was calculated and thereafter, grand mean for all the items were computed. The study found that high-level power distance was practised in most of the selected firms. The study also found that seven components out of eight on the adopted power distance scale did not have any positive association with innovation capability. The study concluded that managers of bread baking firms in the study area need to reduce the power distance to increase their innovation capability.

Keywords: Power distance, innovation capability, bread baking firms, Nigeria.

Introduction

Innovation, including product, process, marketing, and organizational innovation within a firm, is considered one of the essential components for survival and growth. In developed countries, small businesses are making an important contribution to the development of technological innovations within industries (Thomas, Miller and Murphy, 2010). Small and medium enterprises (SMEs) are always looking for ways to enhance their ability to innovate. Small firms comprise the majority of businesses in most economies and have been recognised as a critical element in the national innovation system (SBA, 1986; OECD, 2004b). However, in developing countries such as Nigeria, small businesses hardly innovate. This may be due to high level of poverty and high level of struggle for

survival that make small businesses sole sources of income for poor peoples' livelihood. Thus, these business owners adopt the subsistence model for their businesses. This means that business owners do business mainly to source for money to cater for his/her personal and family needs and not to grow or expand the business. Therefore, the issue of innovation does not come to the mind of such business owners. Meanwhile, for small firms to succeed, innovation is a vital element. Successful innovation in small businesses is related to good performance and subsequent growth. Innovation is the meaningful, dynamic, developing process, which results in positive change and better customer satisfaction (Andriopoulos & Dawson, 2010).

Small businesses in Nigeria have been under the scrutiny of researchers for some time due to their low performance and observed inefficiency. Their role in economic growth and development is generating scepticism despite government's institutional and policies support to enhance their capacity. Meanwhile, to address the challenges posed by poverty, hunger, unemployment and low standard of living in Nigeria, there is a need to improve on the performance of small and medium businesses. Empirical diagnosis has shown that the causes of poverty were not confined to unemployment, as most of the poor were employed in a large variety of small-scale, low-productivity activities. It was thought that one way to alleviate poverty could be to increase the productivity of those engaged in small-scale production (Aftab and Rahim, 1989). One sure way to improve productivity is to employ innovation in its various forms. This requires that entrepreneurial firms develop adequate level of innovation capability. Innovation capability is defined as comprehensive set of characteristics of an organization that support and facilitate innovation strategies (Burgelman et al., 2014). This includes abilities to create and carry new technological possibilities through to economic practice. The term covers a range of activities from capability to invent to capability to innovate and capability to improve existing technology beyond the original design parameters (Loewe and Dominiquini, 2006).

Innovation capability associates with the organizational potential to convert new ideas into commercial and community value. It relates to a variety of factors and is affected by diverse internal and external factors (Bullinger, et al; 2009). Associations have been established between innovation capability (IC) and organizational performance (OP). One way where IC influences OP is in obtaining and sustaining competitive advantage (Akman and Yilmaz, 2011). When independent innovation

capability is continually raised in firms, sustained competitive advantage is achieved (Shan and Zhang, 2009).

As innovation capability may serve as an independent variable that influences or determines the state of some other variables, it also, could be influenced by some variables such as power distance. Power distance could be defined as the extent to which people accept unequal power distribution in an organization. In a high-power distance organization, employees believe in strict authority and hierarchy and have low egalitarianism. Less powerful employees of such organizations tend to accept this unequal power distribution but, in some settings, may hinder their innovative performance.

Previous studies have investigated the effect of power distance on innovation capability but the effect of each component of power distance on innovation capability is not yet clear. It is this perceived gap that this study set out to fill. Three research questions were explored: (i) What is the level of innovation capability in the selected firms? (ii) What is the level of power distance in the firms? And (iii) How does each component of power distance influence innovation capability in the firms?

The paper proceeds as follows. We begin by presenting reports from previous studies on the subject matter. We then describe the research method and present the results. The paper concludes by presenting the implication of the study.

Literature Review

Scholars in the field of management have recognised socio-cultural environment as one of the most important factors affecting behaviours of individuals and groups in the organisations (Khatri, 2009). In extant literature, there are several studies proposing classifications of the culture dimensions. The most popular classification was proposed by Hofstede who conducted research among IBM workers from different countries. Four cultural dimensions were presented by Hofstede (1980) and this became the most popular references in cross- cultural studies later. Since its publication in 1980, Hofstede's Culture's Consequences (revised and expanded in 2001) has had a profound influence on the development of cross- cultural studies within psychology, in organisation studies, and in the social sciences more generally (Smith, 2002). One of

the four dimensions presented by Hofstede is power distance. Power is defined as "the degree of perceived or actual influence person A has over person B" (Ting-Toomey and Oetzel, 2001, p. 188). Hofstede (1984, 2001) used power distance (PD) as proxy for attitudes towards the distribution of power. According to him, "power distance is a measure of the interpersonal power or influence between Boss B and Subordinates S as perceived by the least powerful of the two, S" (Hofstede, 1984, pp. 70-71). In Hofstede's definition, power distance is connected with social acceptance of unequal distribution of power (Hofstede 2001, p. 79). Power distance is a value that differentiates individuals, groups, organizations, and nations based on the degree to which inequalities are accepted either as unavoidable or as functional (Daniels and Greguras, 2014). Power distance, sometimes treated as a homogeneous national value, varies at the individual, group, organizational, and societal levels and relates to various criteria across these different levels (Taras, Kirkman, and Steel, 2010).

Power distance in organizations could be classified as high or low. These two groups describe to what extent members of a society are willing to accept inequality. Hence, low power distance means that the extent to which less powerful people accept the social inequality is small. This means that members of a society are treated as equal as possible in an unequal society (Hofstede in Hofstede, 1986: 307). High power distance means that a big inequality in power is considered by the less powerful members of a society as normal.

High Power Distance organizations are characterized by: centralized authority, autocratic leadership, paternalistic management style, many hierarchical levels, large number of supervisory staffs, acceptance that power has its privileges, and an expectation of inequality and power differences. In organizations where power distance is high, employees are unwilling to participate in decision making. They prefer to have their superiors make decisions for them and also, to give them instructions (Khatri, 2009). In such contexts, jobs are narrowly and tightly specified. This gives employees limited discretion. Also, in high power distance organizations, communication takes place vertically downwards with no or little horizontal communication and poor overall communication. Power distance creates large communication gap between superiors and their subordinates. In such organizations, unlimited power and control over subordinates are given to managers.

Low power distance organizations are characterized by: decentralized authority and decision-making responsibility, consultative or participative management style, flat organizational structures, small proportion of supervisory staff, lack of acceptance and questioning of authority, rights consciousness, tendency toward egalitarianism. In low power distance organizations, inequality is less tolerated. The privileges connected with high positions are not easily accepted. Independence is more valued than conformity (Mead 2003, p. 36).

Power distance has been found to have impact on a variety of organisational behaviours such as employee participation, nature of job descriptions, organisational communication and decision making, discipline and control, deference to senior employees, management development, and organisational structure (Khatri, 2009). Findings of a study that explored employees' response to managers' likability and the moderating effect of power distance at both the cultural and individual levels suggested that high power distance-oriented participants demonstrate stronger preference for likable manager candidates than do low power distance-oriented participants. It was added that, the findings hold only when employees expect a high resource dependence relation with the manager (Wei, Sun, Liu, Zhou and Xue, 2016).

Relationship between power distance and leadership style has shown that companies belonging to the high-power distance culture have adopted distinct leadership styles (Goolaup and Smayilov, 2011). Also, the relationship between "power-distance" and performance of employees in the workplace has been investigated. Usamah (2017) found that the value of power-distance can be used as a predictor of job performance especially in multi-national organizations where cultural variations among employees can act as barriers to good performance. In another study, the effect of power distance on employee empowerment and business performance was investigated. Findings from the study showed that power distance moderated the relationship between employee empowerment and business performance as well as the relationship between employee empowerment and its outcomes (Oloko, 2008).

Another study examined how power distance impacts empowerment and team participation for two types of Chinese employees: those working in Chinese R&D companies, and employees of China-based

American R&D companies. It was found that high power distance and high empowerment lead to high team participation (Zhang, 2010).

Studies have reported conflicting results for the effect of power distance on innovation capability. Kaasa (2013) carried out an exploratory study which investigated the effect of different cultural dimensions on different innovation indicators covering as much EU-countries and neighbouring countries as possible. The study found that although innovation processes were strongly determined by culture, power distance turned out to be negatively related to innovation performance. Another scholar Strychalska-Rudzewicz (2015) examined the effect of culture's dimensions on national innovation index. The results showed that a strong negative correlation was observed in the case of power distance. The study concluded that a low power distance society may be more innovative than high power distance ones. Rinne, Steel and Fairweather (2011), via multivariate multiple linear regression, assessed the link between Hofstede's measures of cultural values and innovation as measured by the Global Innovation Index (GII) and found a strong negative relationship between Hofstede's dimensions of power distance and GII innovation scores. Also, Rodriguez, Regina and Hechanova (2014) examined ambidexterity as a predictor of teams' perception of their innovation and also examined the impact of culture-power distance, uncertainty avoidance, collectivism, masculinity, and short-term orientation. The study found that power distance is negatively related to explorative behaviour. In another study, Kalaycı (2015) scrutinized the effect of power distance, individualism, masculinity and uncertainty avoidance on innovation performance of 96 countries by implementing cross-sectional regression analysis. The study found that power distance had no effect on innovation performance. Manshadi (2017) explores the relationships between the dimensions of Hofstede's (1980) cultural model and the innovativeness of business units located around the world in the oil and gas industry. The study found that power distance has a strong, positive influence on an organisation's innovativeness. This contradicts the submissions of the three aforementioned studies.

Research Methods

This study adopts cross-sectional survey design. Snowball sampling technique was used to select 56 firms in baking industry in Lagos Metropolis Area, Nigeria (See Figure 1). In each firm, a set of structured questionnaires was administered on the owner-manager or the

employee manager where the owner was absent or any employee that was in a position to represent the firm adequately. To operationalize power distance, the original Hofstede framework for organizational culture as adapted by Çakar and Ertürk (2010) was used. The original framework consists of four dimensions to describe culture: (i) Power distance, (ii) uncertainty avoidance, (iii) individualism/collectivism, and masculinity/femininity.

To operationalize power distance an eight-item scale was used as follows:

(1) People at lower levels in organizations have a responsibility to make important decisions for people around them.
(2) People at lower levels in the organization should not have power in the organization.
(3) It is often necessary for a supervisor to emphasize authority and power when dealing with subordinates.
(4) Managers should be careful not to ask the opinions of subordinates too frequently.
(5) A manager should avoid socializing with his/her subordinates at the job.
(6) Subordinates should not disagree with their manager's decisions.
(7) Managers should not delegate difficult and important tasks to subordinates.
(8) My supervisor makes decisions without asking to lower level employees.

A Likert scale where 1 = Strongly disagree and 5 = Strongly agree was used to capture respondents' perception about the practice of power distance in their organizations. Means of responses for each item on the scale was calculated and thereafter, grand mean for all the items were calculated. The scale was treated both as a unidimensional and multidimensional measure. Interpretations of results were done for each item on the scale as well as for the combination of the eight items as proxy for power distance. Also, acceptability is determined for each item on the scale to provide a clear picture of how power distance is being practised in the organizations. A mean of greater than 3 is regarded as acceptable while a mean of 3 or less is regarded as unacceptable (>3 = accepted; ≤3 = unaccepted). Level of power distance in the organization is determined by a scale of 1 – 5; where 1 = very low, 2 =low, 3 = medium, 4 = high and 5 = very high

Innovation capability was captured using number of innovations developed by the selected organizations in the preceding three years.

Reliability Test

To examine the internal consistency of the scale we calculated its means, standard deviation and Cronbach's alpha reliability. This is presented in Tables 1a and b. A Cronbach's Alpha of 0.085 indicates that the internal consistency of the scale is good.

Table 1a: Mean and Standard Deviation of the Adopted Scale

Item Statistics

	Mean	Std. Deviation	N
Questionnaire number	28.5179	16.33400	56
Age	2.8929	1.05621	56
Sex	1.3750	.48850	56
Organization Position	3.6071	1.15489	56
FirmAge	1.6607	.74533	56
Firmsize	2.0893	.83724	56
People at lower level in the organization have a responsibility to make impact decisions for people around them	3.5536	.91293	56
People at lower level in the organization do not have power in the org	2.3750	1.12108	56
Superior often emphasize authority and power when dealing with subordinates	3.9107	.83724	56
Managers should be careful not to ask the opinions of subordinates too frequently	3.8750	1.17647	56
Managers should avoid socializing with subordinates at work	2.8393	1.21770	56
Subordinates should not disagree with his/her managers' decisions	3.8393	.96816	56
Managers should not delegate difficult and important tasks to subordinates	3.6607	1.14855	56
Supervisors make decision without asking lower level employees	3.0000	1.15994	56

Table 1b: Cronbach's Alpha of the Scale

Reliability Statistics

Cronbach's Alpha	N of Items
0.085	14

Figure 1: Map Showing Lagos Metropolis Area, Nigeria.

Results

Socio-economic characteristics of respondents

Most (67.9%) of the respondents were in the age bracket 20 - 39 years. This shows that most of the managers of the baking firms were youths. A greater percentage (62.5%) was male and they were mostly holders of the first-degree certificates [Higher National Diploma (HND) and Bachelor's degrees]. This shows a fairly high level of education when compared to similar industries where most of them were holders of high school graduating certificates (e.g. Ekpenyong and Nyong, 1992).

Most of the firms that participated in this study were younger than 10 years in existence and had less than 50 workers in their employment. Based on international definitions, all the firms fell in the category of small-scale firms.

Table 2: Socio-economic characteristics of respondents

	Frequency	Percent
Age of Respondents		
Below 20 years	4	7.1
20-29 years	17	30.4
30-39 years	21	37.5
40-49 years	9	16.1
50 years and above	5	8.9
Total	**56**	**100.0**
Sex of Respondents		
Male	35	62.5
Female	21	37.5
Total	**56**	**100.0**
Highest academic qualification		
B.Sc	22	39.3
Diploma	1	1.8
HND	11	19.6
M.Sc	3	5.4
NCE	1	1.8
OND	9	16.1
SSCE	9	16.1
Total	**56**	**100.0**

Table 3: Profiles of Selected Firms

	Frequency	Percent
Firm Age		
5 years and below	28	50.0
6-10 years	19	33.9
more than 10 years	9	16.1
Total	56	100.0
Firm size		
1-5 employees	15	26.8
6-10 employees	23	41.1
11-50 employees	16	28.6
Above 50 employees	02	03.6
Total	56	100.0

The Practice of Power Distance in Selected Firms

Most (64.3%) of the respondents agreed that people at lower level in the organization had a responsibility to make impact decisions for people around them while only a low percentage (17.9%) agreed that people at

lower level in the organization did not have power in the organization. This means that most of the respondents believed that people at lower level had power in the organization. Most (78.5%) agreed that superior workers often emphasized authority and power when dealing with subordinates. Some 64.3% believed that managers should be careful not to ask the opinions of subordinates too frequently while 30.3% believed that a manager should avoid socializing with his/her subordinates at the job. 78.5% believed that subordinates should not disagree with their manager's decisions while 66.1% believed that managers should not delegate difficult and important tasks to subordinates; and 39.3% believed that, in their organization, supervisors make decisions without asking to lower level employees.

Table 4 shows that five out of the eight items on the scale were accepted. This suggests that in the selected firms, power distance was been practised as (i) People at lower level in the organization have a responsibility to make impact decisions for people around them, (ii) Superior often emphasize authority and power when dealing with subordinates, (iii) Managers should be careful not to ask the opinions of subordinates too frequently (iv) Subordinates should not disagree with his/her managers' decisions (v) Managers should not delegate difficult and important tasks to subordinates. The grand mean of 3.38 shows that the practice of power distance is on the high level in the selected firms.

Table 4: Table Showing Mean and Standard Deviation for Each Component of Power Distance

	N	Minimum	Maximum	Mean	Std. Deviation
People at lower level in the organization have a responsibility to make impact decisions for people around them	56	1.00	5.00	*3.55	0.91293
People at lower level in the organization do not have power in the org	56	1.00	5.00	2.38	1.12108

Superior often emphasize authority and power when dealing with subordinates	56	2.00	5.00	*3.91	0.83724
Managers should be careful not to ask the opinions of subordinates too frequently	56	1.00	5.00	*3.88	1.17647
Managers should avoid socializing with subordinates at work	56	1.00	5.00	2.84	1.21770
Subordinates should not disagree with his/her managers' decisions	56	1.00	5.00	*3.84	0.96816
Managers should not delegate difficult and important tasks to subordinates	56	1.00	5.00	*3.66	1.14855
Supervisors make decision without asking lower level employees	56	1.00	5.00	3.00	1.15994
Valid N (listwise)	56				

*Accepted items Grand Mean = 3.38

Types of Innovation in Baking Firms

Most (91.1%) of the firms reported incremental innovations. Some (28.6) did not have any innovation but most (71.4%) of the firms reported that they engaged in 'new to the firm' innovations and 'new to the industry' innovations. Most (32.1%) of the firms reported two innovations in three years.

The innovations reported by the selected baking firms include toast bread, sandwich bread, white bread, coconut bread, banana bread, salt rising bread, soda bread, black bread, wheat bread, potato bread, bread roll, chocolate bread, whole white bread, fruit bread, groundnut bread, buttered bread, hotdog bread, bugger bread, cake bread and Indian sun bread.

Innovation Capability

Table 5 presents the numbers of innovations developed by the selected firms in a period of three consecutive years. The table shows that the number of innovations developed in 50% of the selected firms were 2 or less. This is quite low because if just one innovation was developed in a year, a firm should report at least three innovations in three years. Also, 55 out of 56 firms (98.21%) reported that they developed less than six innovations in three years. If a firm developed two innovations in a year, it will make six innovations in three years. Only one firm reported seven innovations in three years.

Table 5: innovations developed by selected organizations in the past three years

	Frequency	Percent
None	16	28.6
one	4	7.1
two	18	32.1
three	8	14.3
four	7	12.5
five	2	3.6
seven	1	1.8
Total	56	100.0

Examination of association between power distance and innovation capability

Table 6 shows the level of association that exists between a component of power distance “people at lower level in the organization have a responsibility to make impact decisions for people around them. “From the table, one firm that agreed with the notion reported to have developed seven innovations in the preceding three years. Those that disagreed to the notion did not report any number of innovations beyond three. This suggests that organizations where people at lower level have a responsibility to make impact decisions for people around them may have higher innovation capability than where this does not exist. However, Chi-square test did not indicate any association between the two variables.

Table 6: People at lower level in the organization have a responsibility to make impact decisions for people around them * innovations developed by organization in the past three years

		innovations developed by organization in the past three years							Total
		0	1	2	3	4	5	7	
People at lower level in the organization have a responsibility to make impact decisions for people around them	Strongly disagree	1	0	0	0	0	0	0	1
	Disagree	4	1	2	1	0	0	0	8
	Neutral	2	0	7	1	1	0	0	11
	Agree	8	3	8	4	5	2	1	31
	Strongly Agree	1	0	1	2	1	0	0	5
Total		16	4	18	8	7	2	1	56

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	16.895[a]	24	0.853
Likelihood Ratio	18.402	24	0.783
Linear-by-Linear Association	4.574	1	0.032
N of Valid Cases	56		

a. 33 cells (94.3%) have expected count less than 5. The minimum expected count is 0.02.

Table 7 shows the level of association between “people at lower level in the organization do not have power in the organization” and innovation capability. One firm that disagreed with the notion reported seven innovations in the preceding three years. Those that agreed with the notion reported a maximum of three innovations in three years. This suggests that organizations where people at lower level in the organization did not have power in the organization may have low innovation capability. Chi-square test showed a positive association between the two variables when $p \leq 0.1$.

Table 7: Table showing cross tabulation of "People at lower level in the organization do not have power in the org * innovations developed by organization in the past three years"

Count

		innovations developed by organization in the past three years						Total
		0	1	2	3	5	7	
People at lower level in the organization should not have power in the org	Strongly disagree	4	0	4	2	1	1	12
	Disagree	7	1	5	3	1	0	24
	Neutral	2	0	6	2	0	0	10
	Agree	2	3	1	1	0	0	7
	Strongly Agree	1	0	2	0	0	0	3
Total		16	4	18	8	2	1	56

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	35.402[a]	24	0.063
Likelihood Ratio	32.924	24	0.106
Linear-by-Linear Association	2.361	1	0.124
N of Valid Cases	56		

a. 33 cells (94.3%) have expected count less than 5. The minimum expected count is 0.05.

Table 8 shows the level of association between "supervisor often emphasize authority and power when dealing with subordinates" and innovation capacity of selected firms. From the table, the firms that agreed with the notion have more innovations than those that disagreed. The five firms that disagreed did not report more than 2 innovations in three years. This suggests that firms where supervisor often emphasize authority and power when dealing with subordinates may have higher innovation capability than other firms. Chi-square test show $p = 0.78$ which indicates no association between the two variables at $p \leq 0.05$ or 0.1.

Table 8: Supervisor often emphasize authority and power when dealing with subordinates * innovations developed by organization in the past three years

		innovations developed by organization in the past three years							Total
		0	1	2	3	4	5	7	
Superior often emphasize authority and power when dealing with subordinates	Disagree	1	0	4	0	0	0	0	5
	Neutral	1	1	3	1	1	0	0	7
	Agree	8	3	8	5	5	2	1	32
	Strongly Agree	6	0	3	2	1	0	0	12
Total		16	4	18	8	7	2	1	56

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.260[a]	18	0.776
Likelihood Ratio	15.547	18	0.624
Linear-by-Linear Association	.177	1	0.674
N of Valid Cases	56		

a. 26 cells (92.9%) have expected count less than 5. The minimum expected count is .09.

Table 9 shows the level of association between two variables "Managers should be careful not to ask the opinions of subordinates too frequently" and innovation capability. From the table, those that agreed with the notion have more innovations in three years than those that disagreed. This suggests that firms where managers did were not asking the opinions of subordinates too frequently tend to have higher innovation capability than others. Chi-square test shows p = 0.72 indicating no association between the two variables.

Table 9: Managers should be careful not to ask the opinions of subordinates too frequently * innovations developed by organization in the past three years

		innovations developed by organization in the past three years							Total
		0	1	2	3	4	5	7	
Managers should be careful not to ask the opinions of subordinates too frequently	Strongly disagree	0	0	1	1	0	0	0	2
	Disagree	3	0	2	1	0	0	0	6
	Neutral	2	2	7	0	1	0	0	12
	Agree	3	1	4	2	3	0	0	13
	Strongly Agree	8	1	4	4	3	2	1	23
Total		16	4	18	8	7	2	1	56

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.588[a]	24	0.720
Likelihood Ratio	22.868	24	0.528
Linear-by-Linear Association	1.052	1	0.305
N of Valid Cases	56		

a. 33 cells (94.3%) have expected count less than 5. The minimum expected count is 0.04.

Table 10 shows the level of association between “managers should avoid socializing with subordinates” and innovations developed by organization in the past three years. One firm that strongly disagreed reported seven innovations in three years. One other firm that disagreed reported five innovations in three years. Another firm that strongly agreed with the notion reported five innovations in three years. Hence, there seems to be no regular pattern on the table. This shows that the notion that managers should avoid socializing with subordinates may not have anything to do with innovation capability in the selected firms. Chi-square test did not show any association between the two variables ($p = 0.89$).

Table 10: Managers should avoid socializing with subordinates * number of innovations developed by the organization

		innovations developed by organization in the past three years							Total
		0	1	2	3	4	5	7	
Managers should avoid socializing with subordinates at work	Strongly disagree	3	0	2	1	1	0	1	8
	Disagree	4	1	5	3	2	1	0	16
	Neutral	3	2	8	1	1	0	0	15
	Agree	3	1	1	3	3	0	0	11
	Strongly Agree	3	0	2	0	0	1	0	6
Total		16	4	18	8	7	2	1	56

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.350[a]	16	0.898
Likelihood Ratio	10.263	16	0.853
Linear-by-Linear Association	2.953	1	0.086
N of Valid Cases	56		

a. 24 cells (96.0%) have expected count less than 5. The minimum expected count is 0.32.

Table 11 shows the level of association between “Subordinates should not disagree with his/her managers' decisions” and innovation capability. Only one firm strongly disagreed with the notion. The table shows that firms that agreed or strongly agreed with the notion had more innovations than others. However, Chi-square test showed no association between the two variables.

Table 11: Subordinates should not disagree with his/her managers' decisions * innovations developed by organization in the past three years

		innovations developed by organization in the past three years							Total
		0	1	2	3	4	5	7	
Subordinates should not disagree with his/her	Strongly disagree	1	0	0	0	0	0	0	1
	Disagree	2	1	2	1	0	1	0	7
	Neutral	0	0	2	1	1	0	0	4
	Agree	8	1	13	5	4	1	0	32

managers' decisions	Strongly Agree	5	2	1	1	2	0	1	12
Total		16	4	18	8	7	2	1	56

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.485[a]	24	0.726
Likelihood Ratio	21.010	24	0.638
Linear-by-Linear Association	.046	1	0.830
N of Valid Cases	56		

a. 33 cells (94.3%) have expected count less than 5. The minimum expected count is .02.

Table 12 shows the level of association between "managers should not delegate difficult and important tasks to subordinates" and innovation capability. More firms (32 out of 56; 57%) agreed with the notion. A glance at the table shows that those that agreed/strongly agreed reported more innovations than those that did not. Chi-square test however, did not show any association (p = 0.66).

Table 12: Managers should not delegate difficult and important tasks to subordinates * innovations developed by organization in the past three years

		innovations developed by organization in the past three years						
		0	1	2	3	4	5	7
Managers should not delegate difficult and important tasks to subordinates	Strongly disagree	0	0	1	1	0	0	0
	Disagree	3	1	5	1	0	0	0
	Neutral	1	1	2	2	1	0	0
	Agree	8	2	6	2	5	0	0
	Strongly Agree	4	0	4	2	1	2	1
Total		16	4	18	8	7	2	1

Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	20.587[a]	24	0.663
Likelihood Ratio	21.862	24	0.588
Linear-by-Linear Association	1.009	1	0.315
N of Valid Cases	56		

a. 33 cells (94.3%) have expected count less than 5. The minimum expected count is .04.

Table 13 shows level of association between "supervisors make decision without asking lower level employees" and innovations capability. Twenty-five respondents disagreed with the notion while twenty-two agreed. From the table, those that disagreed appeared to have more innovations than those that agreed. Chi-square test showed no association between the two variables (p = 0.83).

Table 13: Supervisors make decision without asking lower level employees * innovations developed by organization in the past three years

		innovations developed by organization in the past three years							Total
		None	one	two	three	four	five	seven	
Supervisors make decision without asking lower level employees	Strongly disagree	1	0	1	1	0	0	0	3
	Disagree	5	1	6	3	5	1	1	22
	Neutral	2	1	3	2	1	0	0	9
	Agree	4	2	7	2	1	0	0	16
	Strongly Agree	4	0	1	0	0	1	0	6
Total		16	4	18	8	7	2	1	56

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	17.533[a]	24	0.825
Likelihood Ratio	18.702	24	0.768
Linear-by-Linear Association	2.915	1	0.088
N of Valid Cases	56		

a. 32 cells (91.4%) have expected count less than 5. The minimum expected count is 0.05.

Conclusion and Recommendations

This study has examined the practice of power distance in 56 bread baking firms selected by the snowball sampling technique in Lagos metropolis, Nigeria. The study found that the practice of power distance is on the high level in the selected firms. However, when each component was examined as an individual, the item “People at lower level in the organization do not have power in the organisation” attracted a low mean which was interpreted as “unaccepted”. This suggests that the respondents believed that, in their organizations, people at lower level had had power. This is quite irregular and inconsistent with the other components of the adopted power distance scale. An insight that could be gleaned from this is that while the practice of power distance may be context specific. While the other seven components of the scale were found accepted, one not accepted suggests that the context where the study was carried out was relevant to the outcome. Another insight is that the fact that superiors are exerting authority in some areas of operation does not mean that lower level workers do not have power at all in some other areas of operation. The study also found that seven components out of eight did not have any positive association with innovation capability. This is consistent with reports from previous studies (Kaasa, 2013; Rodriguez, Regina and Hechanova, 2014; Kalayci, 2015). Another finding from the study is that innovation capabilities of the selected firms were low. This might be due to the high-level power distance in the organizations. Strychalska-Rudzewicz (2015) in his study concluded that a low power distance society may be more innovative than high power distance ones.

This study concludes that the practice of power distance is context specific and so, all the assumptions behind the development of the Hofstede’s scale may not hold true for firms in all contexts. Also, the firms in the study area of the current study need to reduce the level of power distance in their firms to increase their level of innovation capability.

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