

EFFECTS OF COMMUNICATION ON ORGANISATIONAL EFFECTIVENESS IN THE NIGERIAN SMALL AND MEDIUM SCALE INDUSTRY.

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ABSTRACT

The research examines the effects of communication on organizational effectiveness in the Nigerian small and medium scale industry. The research problem involves an investigation of the extent to which organizational communication affects the development of small businesses in Nigeria. The theory states that organizational communication influences the effectiveness of the organization. It also analyses the differences in emphases of small and medium scale businesses on the strategic decision variables of penetration, competition, expansion and stabilization.

Five behavioural variables: (morale, career satisfaction, turnover intention and anxiety as well as economic or financial indicators were used to measure organizational effectiveness. The study utilized a cross sectional survey design with two likert-type self administered questionnaires as the major instruments. A stratified random sample of 100 small and medium scale companies was selected for the study. The respondents were mainly business owners and their managers whose jobs involve planning, strategy formulation and management. The data collected were analysed using mean statistics and standard deviation. The study indicates that a strong relationship exists between organizational communication and organizational effectiveness.

Keywords: Communication, Organisation, Effectiveness, Leadership style, Small and Medium Scale Business (SMS).

INTRODUCTION

Corporations are the work places in which individuals spend most of their time within the day. Besides fulfilling their tasks and responsibilities, the employees also try to manage their relations with their subordinates and super-ordinates within the corporation. There are a lot of people different from one other in terms of both the demographic aspects and their belief systems and life styles. The most important role of internal communication is to meet mutual expectations and demands between the executives and the employees. Engin Elif, Akgöz Burcu Eker (2013).

There is therefore the need to explore the relationship between organizational communication and workers performance since communication integrates different units and functions in the organization. Communication is the human activity that links people together and create relationship (Duncan & Moriaty, 1998). This means that individuals relate with each other by means of communication. It is the glue that binds people together in an organization. Managers have traditionally spent the majority of their time communicating in one form or another (face-to-face discussion, memos, notice boards, mass meeting, employees hand book, public lectures, e.t.c). Asamu Festus Femi (2014). In the SMS industry, communication plays a pivot role in business development and it takes place

between employers, employees, and costumers at every point in time. In business organizations, Udo, J. S. and Kadurumba C. (2016) posited that, management uses different systems of communication to disseminate information to its employees and these include:

1. **Company publication:** magazines, newsletters, company handbook for new employees, accounts information, etc.
2. **Notice Boards:** This should be placed in an open position preferably, near the attendance notebook at the reception.
3. **Staff Meetings:** Sectional, departmental, divisional and general.
4. **Suggestion schemes:** In this way, the workers are encouraged to take part in decision making for an effective and efficient management. It is a good channel for introducing ideas for changes in organization.
5. **Employee Handbook.** This is also called, Staff Condition of Service Handbook. It spelt out the conditions of employment to all the staff in an organization.
6. **Financial Statements/reports.** This is a report booklet that presents the company's financial statements for users such as shareholders, employees.

Udo and Kadurumba (2016) also listed seven types of communication in an organization to include:

- 1) Oral communication: This is a communication that involves a face to face discussion. It has the advantage of proximity.
- 2) Written communication: This is a communication that involves the use of paper and pen to express one's feelings. It can be used as evidence against a person.
- 3) Formal communication: This is an official way of communication. It follows a rigid and particular pattern.
- 4) Informal communication: This is any interaction that exists in an organization which is not structured. It can be in a form of gossip, rumour, etc.
- 5) Downward communication: This type of communication start from the top management to the bottom of the organization. It is used to give instruction, advice and to inform subordinates on new development.
- 6) Upward communication: This type of communication is used by the lower level employees to express their feelings and needs to the top management.
- 7) Lateral communication: Lateral communication take place when

employees on the same level communicate with each other.

- 8) Diagonal communication: Diagonal communication occurs when employees of a particular department communicate with a boss of another department.

STUDY AREA

This study was carried out in Ivo Local Government Area in Ebonyi State and Enugu Metropolis in Enugu State, Nigeria. The two States lies in the Eastern part of Nigeria and are endowed with natural resources like rivers, solid minerals, limestone etc. The states are homes to private and government establishments. Consequently, its work force includes federal, state and local government workers. Others are workers in the private sector and the self employed; the study sample respondents came from these categories of workers in the States.

RESEARCH OBJECTIVES

The broad objective of this study is to determine the effect of organizational communication on workers' performance.

The specific objectives are as follows:

- i. To determine the effects of communication in an organisation.
- ii. To examine how communication influences workers performance.

- iii. To determine the effects of organizational communication on workers' productivity.

RESEARCH HYPOTHESES

- i. There is a relationship between effective communication and workers' performance.
- ii. There is a relationship between leadership style and organizational productivity.

METHODOLOGY

Survey design was adopted in this study because the design uncovered, interpret and integrate data, as well as point to their implication in interrelationships (Cohen & Manion, 1986). It allows for random sampling and the use of questionnaires. It is also used to study peoples' attitude, feelings and opinions (Babbie, 1985).

The study elicited data from respondents via structure questionnaire. The questionnaire was self administered and was divided into two sections. Section A, was the demographic variables of respondents. Section B accorded the study the needed topical data on effects of communication on organizational effectiveness in SMS industry in Nigeria. As depicted in Table 1, items in the five point Likert scale questionnaire with positive response were

ranked 5, 4, 3, 2, 1, with 5 standing for strongly agree (SA), 4 standing for agree (A), 3 for undecided (UD), 2 for disagree (D), 1 for strongly disagree (SD).

DATA ANALYSIS AND DISCUSSION

Out of a sample of 150 questionnaires administered, 122 were completed and returned, giving a response rate of 81.33%. The population was small business owners. With regards to age, the respondents came from the adult age group of 18 and above. The actual sample mean and standard deviation were used to calculate and actualize the meaningful presentation.

Data Analysis

In testing the hypothesis, the actual sample mean and Standard Deviation (δ) distribution model were used. The formulae of the statistical method used are as follows:

- a) Mean variable (\bar{x}) of the frequency

$$\text{distribution} = \bar{x} = \frac{\sum fx}{\sum f}$$

- b) Standard Deviation (δ) = $\frac{\sqrt{\sum fx^2 - \frac{(\sum fx)^2}{\sum f}}}{\sum f}$

where δ = Standard Deviation, $\sum fx$ = the summation of fx .

'n' analysis the factor statement, 5 for any factor under consideration; to have mean (\bar{x}) less than 3 shows negative reaction by the entrepreneurs.

Table 1: Demographic Composition of the Sample

Items	Variables	Frequency	Percentage (%)
Gender	Male	110	90.16
	Female	<u>12</u>	<u>9.84</u>
	Total	122	100
Age	18-30 years	18	14.75
	31-40 years	78	63.93
	41-50 years	20	16.40
	51years- and above	<u>6</u>	<u>4.92</u>
	Total	122	100
Marital status	Single	46	37.70
	Married	64	52.46
	Widowed	<u>12</u>	<u>9.84</u>
	Total	122	100
Educational	WASC/GCE/SSCE	34	27.87
Qualification	OND/NCE	22	18.03
	HND/B.Sc./BA	38	31.15
	MBA/M.Sc.& others	<u>28</u>	<u>22.95</u>
	Total	122	100
Tenure of Business	Below 1 year	18	4.92
	1 – 4 years	38	31.15
	5 – 9 years	54	44.26
	10 years and above	<u>24</u>	<u>19.65</u>
		122	100

Authors Field Work, 2018.

Hypothesis 1:

Ho: There is a relationship between effective communication and workers' performance.

Hi: There is no relationship between effective communication and workers' performance.

The calculated value equals 1.6 and the mean 4.1 is above 3 and this shows that the statement, there is a relationship between effective communication and workers' performance is accepted. The Null hypothesis (Ho) is therefore accepted.

Hypothesis 2:

Ho: There is a relationship between leadership style of communication and organizational productivity.

Hi: There is no relationship between leadership style of communication and organizational productivity

The calculated value equals 1.4 and the mean 3.7 is more than 3 and this shows that there is a relationship between leadership style of communication and organizational productivity. The Null hypothesis (Ho) is therefore accepted.

IMPLICATIONS OF THE STUDY

This study has implication for business owners, employees, customers and government. Business Owners and managers should address those dysfunctional stressors identified by the respondents. The primary reason for the occurrence of conflict is poor or misunderstood communication. Business owners and managers should be able to resolve conflicts, build harmony and bridge communication gaps, for the purpose of achieving organizational goals. Managers should be able to communicate thoughts in such a way that employees understand them instantly.

Effective communication helps people understand what they want and expect from each other. This helps to build strong

personal and business relationships among workers and customers.

Efficient communication among employees and business owners helps to improve job satisfaction at both ends. Employees feel that their presence makes difference to the organization. Business owners feel that their orders and requests are being cared for.

Good communication is essential to managing and working in a productive and efficient workplace. An expert on business, the former dean of Harvard's Business School, Robert Kent, stated that, "In business, communication is everything."

Government at all levels should address the mismanagement of information by those that are in positions of authority. This would encourage the youth participation in small scale business in Nigeria.

CONCLUSION

AND

RECOMMENDATIONS.

This paper has analyzed and appraised the effects of communication on organizational effectiveness in the Nigerian small and medium scale industry. The challenge before all business owners in Nigeria is how to breakeven and make the required profits. This can be achieved through effective communication. Effective communication is more than just being able to speak and write. A leader's communication must move people to work toward the goal the leader has chosen.

RECOMMENDATIONS

Effective communication is more critical to business than ever, every business owner that aimed at sustainable growth and development in a competitive market must embrace the following recommendations offered by this study:

- 1) Embrace effective communications as a core part of their strategies.
- 2) Establish clear expectations for employees and, perhaps surprisingly, for customers as well. For employees, clear expectations will convey how their performance will impact the company and give them an indication of what they need to do to achieve positive feedback. For customers, clear communication can help manage their expectations about service issues or even about how best to interact with the organization.
- 3) Effective communication builds strong relationships. Trust and loyalty are key factors in any relationship and both are boosted by communication that is focused on meeting individual needs, conveying important information and providing feedback - positive and constructive. Strong relationships with external populace also build strong solid communication about products,

services and company culture and values.

- 4) Ideas and Innovation: Open channels of communication lead to new ideas and innovation in a number of areas. Employees that understand what's important to their companies can focus on making improvements and spotting opportunities for innovation that can help further success. When employees know their ideas will be sought after, that company leaders will have open minds and be responsive to their feedback, they're more likely to contribute their ideas. Customers also can be a source of great ideas to help improve products and services.
- 5) Customer Ambassadors: The more employees know about the company, its culture, its products and services, and its response to any negative issues, the better job they can do of serving as ambassadors to the community, their friends, relatives and other business connections. Employees who feel they have a strong, positive relationship with their employers and trust the information they receive from their employers will be more likely to share that information with others.

Employees can be a highly valued and trusted source of information about a company and its products and services.

- 6) Strong Teamwork: it was discovered that effective organizational communication lead to strong teamwork and the ability for employees at all levels of the organization to work together to achieve company goals. In addition, effective organizational communication provide employees the knowledge, structure and positive work environment they need to feel comfortable dealing with conflict and resolving issues effectively.

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