

# DETERMINANTS OF ORGANIZATIONAL EFFECTIVENESS IN THE NIGERIAN COMMUNICATION SECTOR

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## Abstract

This research work empirically examined the relationship between organizational effectiveness and factors like organizational performance, employee motivation, organizational environment and organizational competitiveness. The study was conducted in five geo-political zones of Lagos State and the cities are Ikeja, Badagry, Lagos, Ikorodu and Epe. The sample size of the study was 120, 30 respondents each for 3 Telecommunication industry and 10 respondents each for 3 postal industry. A pilot study through test-re-test method was also carried out to test the reliability of the instruments with Pearson's product moment correlation coefficient with the following result 0.84 i.e. 84% for employees performance, 0.92 i.e. 92% for employee motivation, 79.35% i.e. 79% for organization environment while 0.912 i.e. 91.2% for competitiveness. The results revealed that there is a significant relationship between organizational effectiveness and organizational performance, strong relationship with employees' motivation. It also has a significant relationship with organizational environment and organizational competitiveness. Based on the problems identified, recommendations were made.

**Key words;** Organizational Effectiveness, Organizational Performance, Employee Motivation, Organizational Environment and Organizational Competiveness

## 1. Introduction

This research work focused on the factors affecting organizational effectiveness, the factors among others include: performance, motivation, organizational environment, organizational competitiveness and socio-cultural factors. There is no doubt that employees performance is a function of salary increments, individual satisfaction, job security, welfare packages, e.t.c., Organizational environment which could be either internal or external, measured by either SWOT analysis i.e. S= strength, W=weakness, O=Opportunity and T= Threats or PESTEL i.e. P=Political, E =Economical, S= Socio, T= Technological and L= Legal, reflects from socio-cultural composition involving the culture of the people to which the organization is located, business and government rules and regulations. Organizational competitiveness in terms of those firms producing similar commodity which led to rivalry can also not be left out.

The main objective of this study is to examine the factors affecting organizational performance in the communication sector. Communication sector was chosen because it is one of the services sector and as at 2010, according to WTO, it represents more than two thirds of World Gross Domestic Product (GDP).

The research questions for this study were as follows:

1. Is there any significant difference between employee's performance and organizational effectiveness in the communication sector?
2. Does Employee motivation bring about increase in organizational effectiveness in the communication sector?
3. Does Organizational environment has a significantly influence on the organizational effectiveness in the communication sector?
4. Is there any significant relationship between Organizational competitiveness and the organizational effectiveness in the communication sector?

## 2. Conceptual Clarifications and Theoretical Framework

Organizational effectiveness is a concept that describes how effective an organization is in achieving the outcome it intends to produce. Organizational effectiveness is an abstract concept and is basically impossible to measure. Instead of measuring organizational effectiveness, the organization determines proxy measures which will be used to represent effectiveness. It may include such things as efficiency of management, performance of employees, core competencies, number of people served, types and sizes of population segments served and so on.

Employee performance basically depends on many factors like performance appraisal, employee motivation, employee satisfaction, compensation, training and development, job security, organizational structure, among others. This paper focused only on two basic factors: employee motivation and organizational structure since these two factors highly influence the performance of employees.

Motivation is an important determinant of human behavior. It is the force that moves one towards a goal i.e. motivation behaviour = performance. Motivation is the psychological process that gives behavior purpose and direction (Kreiter, 1995). Burford, Bedian, & Lindner, (1995) see it to mean a predisposition to behave in a purposive manner to achieve specific and unmet needs.

Organizational environment according Muhammed, Muhammed and Salman(2011), refers to force that can make an impact. This could be explained with SWOT analysis and PESTEL. SWOT means S= strength, W=weakness, O=Opportunity and T= Threats. PESTEL means P=Political, E =Economical, S= Socio, T= Technological and L= Legal. An organization does not exist in isolation. It works with the overall environment. Environmental factors are divided into two main parts, 1) internal environment 2) external environment; it is further divided into specific and general environment (Robbins, 2008).

Organizational environment determines the manner and extent to which roles and power, and responsibilities are delegated, controlled and coordinated, and how information flows between levels of management. This structure depends entirely on the organization's objectives and the strategy chosen to achieve them.

• **Insert Figure 1 here** -

Motivation theory maintains that man behaves as he does to satisfy his basic needs. These needs can be classified, according Agbato(1990) into physiological needs, sociological needs and psychological needs. Some popular theories relating to the issue of motivation, employees' performance and organizational effectiveness are discussed below.

Maslow (1954) in his hierarchy of needs theory was of the opinion that, with exceptions, individuals act in a way to meet five proponent basic (specific) categories of inner needs. The five levels of employee needs are; physiological needs, safety needs, social needs, ego/esteem, and self actualization needs. According to him lower level needs had to be satisfied before the next higher level need.

Herzberg (1959), worked on Job enrichment and the two-factor theory. He categorized motivation into two factors: motivators and hygienic (Herzberg, Mausner, & Synderman, 1959). Motivators or intrinsic factors, such as achievement and recognition, feeling of possibility of growth, advancement, responsibility, the work itself produce job satisfaction. Hygienic or extrinsic factors, such as pay and job security, physical working conditions, fringe benefits, status, job security, company policy inter personal relationship with supervisor and peers etc. if present will not lead to employee satisfaction but when not present in a job situation will lead to employee dissatisfaction. This will produce job dissatisfaction or demotivation.

Vroom's Expectancy Theory is concerned with and inquires into the impact of expectancy on behavior and is based on the belief that employee effort will lead to performance and performance will lead to rewards (Vroom, 1964). The reward may be either positive or negative. The more positive the reward the more likely the employee will be highly motivated. Conversely, the more negative the reward the less likely the employee will be motivated. Vroom(1964) observed that individuals differ in terms of how they perceive the desirability of certain organizational behavior – needs like promotion, status and security. Adam's Theory states that employees strive for equity between themselves and other workers. Equity is achieved when "the ratio of employee outcome over inputs is equal to other employee outcome over inputs" (Adams, 1965).

Skinner's Theory addressed the concept of behavioural modification based on the linking of the desired behavior with pleasurable reward. Skinner spoke of three techniques in an environment for controlling behavior and these include punishment, no consistent response and positive reinforcement (reward). He went further to state that the employees' behaviour that leads to positive outcome will be repeated and behaviors that lead to negative outcome will not be repeated (Skinner, 1993). Managers should negatively reinforce employee behavior that leads to negative outcome.

#### **Hypotheses:**

Four main hypotheses were formulated and tested in the study:

H<sub>0</sub>1: There is no significant relationship between employee's performance and organizational effectiveness in the communication sector

H<sub>0</sub>2: Employee motivation does not bring about increase in organizational effectiveness in the communication sector

H<sub>0</sub>3: Organizational environment does not significantly influence organizational effectiveness in the communication sector

H<sub>0</sub>4: There is no significant relationship between Organizational competitiveness and the organizational effectiveness in the communication sector

### **3. Research Methods**

In order to carry out a research work on the aforementioned research hypotheses, Lagos State was used as a case study and the survey was carried out in the five geo-political zones of Lagos State. These include: Ikeja, Badagry, Lagos, Ikorodu and Epe.

#### **4. Research Instrument:**

Although, the two sources of data –primary and secondary data are useful for this research work, but only primary data was adopted. The work made use of a structured questionnaire as the research instrument. This was structured on a “5-point Likert type scale ranges from: very large extent, large extent, undecided, small extent and a very small extent.” The questionnaires prepared were administered to employees in two communication sectors in the five geo-political zones of Lagos state Nigeria. Each of the questionnaires was based on the formulated hypothesis in order to show the opinions of employees in relation to each question. The questionnaires, among others, include, 5 questions on personal data, 4 questions that relate to employees performance, four relating to employees motivation, 4 to organization environment and 4 to organizational competitiveness. Three other open ended questions were also included but the latter was made use of when the result of the data gathered was analyzed. The data were collected twice in order to test for reliability of the data used.

#### **5. Sample:**

The area for this study was the whole of Lagos state which comprised of 57 local governments, although only 20 are full fledged local government while the other 37 are Local development Councils. The population of the study comprised of all Telecommunication industries in the study area such as Airtel, MTN, Glo, Starcomms, Etisalat etc. and postal agencies. The study made use of five cities, 3 of the leading Telecommunication industry, and 3 of the Postal agencies, all these were purposeful selected because of their location. The sample size of this study was 120, 30 respondents for each of the Telecommunication industry and 10 respondents for each of the postal industry.

#### **6. Validity and Reliability of the study**

The questionnaire was validated in terms of content and concurrence, the face validity was also adopted. The pilot study was done; the questionnaire was administered twice at two weeks interval, and the k-21 Crombach and test-re-test method were adopted to test for the reliability. The result got were as follows; 0.84 i.e. 84% for employees performance, 0.92 i.e. 92% for employee motivation, 79.35% i.e. 79% for organization environment while 0.912 i.e. 91.2% for competitiveness. These were arrived at with the use of correlation coefficient for test-re-test method, and the result show high level of reliability. This was also confirmed with the use k-21 Crombach method. The study made use of both parametric and non-parametric i.e. inferential and non-inferential statistics to analyze both demographic variables and the hypotheses tested. The analysis of variance (ANOVA) and correlation coefficient were also adopted.

#### **7. Result and Discussion**

**Insert Table 1 here -**

The above table revealed that Seventy six (63.33%) of the respondents were male and forty four representing 36.70% were female. The implication of this is that more males were sampled for this study. Also, for the ages of the respondents, 5 representing 4.20% of the total respondents falls within the age bracket Under 20 while 30 (25%) was recorded for the age bracket of 20-29 years and for age bracket between 30-39 years, 40 respondents representing 33.33% fall within. 30 (25%) falls between 40 and 49, 10 (8.55%) falls between 50-59 and for 60 years & above, 5 respondents i.e. 4.20% falls within. On the occupation of the respondents, it was revealed that 29 representing 24.17% were students, while 33(27.50%) were civil servants, 27 (22.50%) were artisan,19 (15.83%) were professionals and 12 representing 10% of the respondents fell under others. For an educational background of the respondents, it was discovered that only 22 representing 18.33% had no formal education, 30 (25%) were having OND/NCE, 21 representing 17.50% had HND, 29 (24.17%) were having B Sc./B.A/B.Ed Degree, 17 (14.17%) had M.Sc/M.A/M.Ed degree and only 01 representing 0.83% had Ph.D.

- **Insert Table 2 here**

The One way ANOVA performed provided the difference between organizational effectiveness and employees' performance in the communication sector. The F- cal (15.449) is greater than F- tab (10.073) at  $p < 0.05$ . Thus, the null hypothesis which states that there is no significant difference between employee's performance and organizational effectiveness in the communication sector was rejected, meaning that there is a significant difference between employee's performance and organizational effectiveness in the communication sector.

- **Insert Table 3 here**

From the above result, it could be seen that the F- cal (15.45) is greater than F- tab (10.073) at  $p < 0.05$ . Based on this, the null hypothesis which states that Employee motivation do not bring about increase in organizational effectiveness in the communication sector was rejected. The implication of this is that, Employee motivations bring about increase in the organizational effectiveness in the communication sector.

- **Insert Table 4 here**

It could be observed that the F- cal (14.420) is greater than F- tab value (10.073) at  $p < 0.05$ . As a result of this, the null hypothesis which states that Organizational environment do not influence organizational effectiveness in the communication sector was rejected. This implies that, Organizational environment does influence organizational effectiveness in the communication sector.

- **Insert Table 5 here**

The above table revealed that there is a positive correlation between Organizational effectiveness and Organization competitiveness. Therefore, the hypothesis is rejected ( $r = .997$   $p < 0.05$ ). This implies that there is significant relationship between Organizational effectiveness and Organizational competitiveness.

### **Discussion**

This work critically examined organizational effectiveness and how it was influenced by employees' performance, employees' motivation, organizational environment and threat of competitors. Organizational effectiveness was positively related to employees' performance, employees' motivation, organizational environment and threat of competitors as revealed by the findings.

The environment to which an organization is located has a long way to go in determining its efficiency and productivity, and that the environment is composed of diverse cultured and this was confirmed from the respondents because 74% agreed with the statement. Most of the people showed an agreement to working in groups rather than working individually. Gender and racial discrimination was not faced in these organizations as results shown that 87 marked large extent and very large extent while 33 of them marked small extent and very small extent.

Overall responses to the questions show that in most of the organizations there was no gender or any kind of racial discrimination. Job security is safer in public sector organizations as compared to the employees who are working in the private sector. It was also shown that most of the workers are loyal only if their senior personnel are co-operative and supportive. Seniors mostly have a proper check and balance system over the different jobs designations in the organization. Employee motivation will ultimately increase the performance. When employee performance will be increased they then are willing to stay overtime to finish their jobs. They will also be more loyal to the organization management and business operations. And in the end all these factors will lead to make a positive affect over the organization. In this way organization effectiveness will be directly influenced by the employee's performance.

### **8. Conclusion and Recommendations**

This research work studies employee performance, employee motivation, organizational competitors, organizational environment and organizational effectiveness. Employee performance is positively related with organizational effectiveness. Employees that are motivated are more productive rather than those that are not well motivated. This study further suggested organizational effectiveness has key importance for the organization's success.

The following recommendations were made:

1. It is recommended that management of communication industries should give proper attention to their staff.
2. There should be provision of Hygienic or extrinsic factors like increase in pay and job security, physical working conditions, fringe benefits, status, job security, company policy, inter personal relationship with supervisor and peers e.t.c. though, it may not lead to employee satisfaction but when absent in a job situation it may lead to employee dissatisfaction.
3. Furthermore, intrinsic factors, such as achievement and recognition, feeling of possibility of growth, advancement, responsibility, the work itself be provided because it produces job satisfaction

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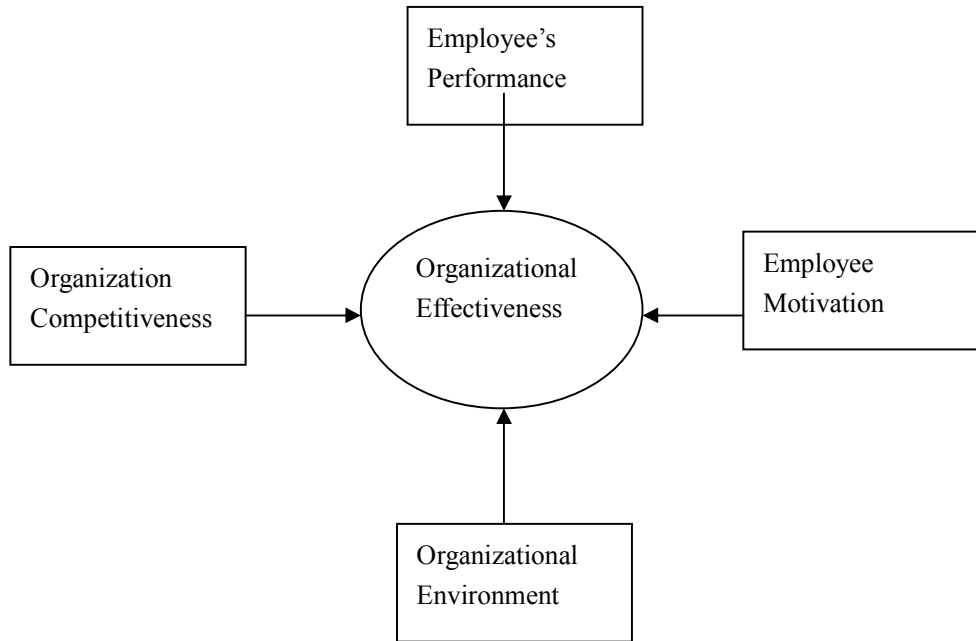
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APPENDIXES

Figure 1



Source; Author (2011)

Table 1: Demographic Profile (n= 120)

Variables	Category	Frequency	Percent
Gender	Male	76	63.30
	Female	44	36.70
Age	Under 20	5	4.20
	20-29	30	25.00
	30-39	40	33.33
	40-49	30	25.00
	50-59	10	8.55
	60 & above	5	4.20
Occupation	Student	29	24.17
	Civil Servant	33	27.50
	Artisian	27	22.50
	Professionals	19	15.83
	Others	12	10.00
Education	No formal Education	22	18.33
	OND/NCE	30	25.00
	HND	21	17.50
	B.Sc./B.A./B.Ed degree	29	24.17
	M.Sc/M.A/M.Ed degree	17	14.17
	Ph.D.	1	0.83
Religion	Christianity	51	42.50
	Islam	60	50.00
	Traditional Religion	3	2.50
	Other	6	5.00

Note: OND=ordinary national diploma; NCE=National Certificate of Education; HND=Higher National Diploma; B.Sc. =Bachelor of Science; B.A.=Bachelor of Arts; Bed=Bachelor of Education; M.Sc. =Master of Science; M.A= Master of Arts; M.Ed. =Master of Education; Ph.D. =Doctor of Philosophy

Table 2: ANOVA table showing difference between Organizational effectiveness and employees' performance

Source of Variations	Sum of Squares	Df	Mean Square	Fcal	Ftab	Sig.
Between Groups	5092.000	4	1273.000	15.449	10.073	.000
Within Groups	1236.000	15	82.400			
Total	6328.000	19				

\* Significant at 0.05 level (2-tailed)

**Table 3: ANOVA table showing difference between Organizational effectiveness and employees' motivation**

Source of Variations	Sum of Squares	Df	Mean Square	Fcal	Ftab	Sig.
Between Groups	5092.000	4	1273.000		10.073	.000
Within Groups	1236.000	15	82.400	15.45		
Total	6328.000	19				

\* Significant at 0.05 level (2-tailed)

**Table 4: ANOVA table showing difference between Organizational effectiveness and Organizational environment**

Source of Variations	Sum of Squares	df	Mean Square	Fcal	Ftab	Sig.
Between Groups	5130.700	4	1282.675		10.073	.000
Within Groups	1334.250	15	88.950	14.420		
Total	6464.950	19				

\* Significant at 0.05 level (2-tailed)



**Table 5: Table showing the relationship between Organizational effectiveness and Organizational competitiveness**

Variable	N	Mean	SD	r- cal	r- tab	Decision
Organizational effectiveness	120	301.45	106.12	.898	.195	*
Organization competitiveness		246.37	43.24			

\* Correlation is significant at 0.05 level (2-tailed)

**Descriptives**

Org. Effectiveness& Employee Peformance

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1.00	4	42.5000	10.40833	5.20416	25.9380	59.0620	30.00	55.00
2.00	4	42.7500	12.25765	6.12883	23.2453	62.2547	31.00	60.00
3.00	4	1.5000	1.00000	.50000	-.0912	3.0912	.00	2.00
4.00	4	21.0000	5.83095	2.91548	11.7217	30.2783	15.00	29.00
5.00	4	12.2500	13.12440	6.56220	-8.6339	33.1339	.00	28.00
Total	20	24.0000	18.89862	4.22586	15.1552	32.8448	.00	60.00

**ANOVA**

Org. Effectiveness& Employees motivation

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5092.000	4	1273.000	15.449	.000
Within Groups	1236.000	15	82.400		
Total	6328.000	19			

**Descriptives**

Org.Effectiveness & Org. Environment

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
1.00	4	40.7500	2.21736	1.10868	37.2217	44.2783	38.00	43.00
2.00	4	43.5000	14.20094	7.10047	20.9031	66.0969	24.00	58.00
3.00	4	1.5000	.57735	.28868	.5813	2.4187	1.00	2.00
4.00	4	20.7500	12.03813	6.01907	1.5946	39.9054	10.00	38.00
5.00	4	13.7500	9.63933	4.81966	-1.5883	29.0883	1.00	24.00
Total	20	24.0500	18.44615	4.12468	15.4169	32.6831	1.00	58.00

**ANOVA**

Org.Effectiveness & Org. Environment

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	5130.700	4	1282.675	14.420	.000
Within Groups	1334.250	15	88.950		
Total	6464.950	19			

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