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Work Group and Organizational Performance in Nigerian Banking Industry

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Abstract: The study on work group and organizational performance in Nigerian banking industry, was carried out to determine the effect of work group on return on investment of the banking industry, to assess the extent of influence work group have on the performance of marketers in the banking industry and to examine the effect of work group on staff turnover in the banking industry in Enugu state. Survey research design was employed in carrying out the study. The population of the study was 325 emerging from four randomly selected banks in Enugu state. The population was a finite one and as such, the researcher considered it suitable to study the whole population, a census study, to assure adequate coverage of population units. 308 copies of the questionnaire were duly completed and returned. Formulated hypotheses were tested and analyzed using tables and Pearson product-moment correlation coefficient. The study reveals that, lack of good informal group in the work group has negative effect on the return on investment in banking industry in Enugu state. And that this is as a result of rigid informality and lack of leisure in the banking job being performed, that lack of informal group in the work group also has negative influence on the marketers because of lack of leisure and free time in the work process and that lack of informal group in the work group is one of the factors that course staff turnover in the banking industry, because work group without informal groups brings about feel of job insecurity in the employees. It was therefore recommended among other recommendations that the management of banking industry should formulate policies that will accommodate informal groups in the work group as this will reflect positively on the performance of their staff. The management should equally co-operate with the informal groups to enable them negotiate and find solutions to their problems and therefore adopt a human face in every confrontation by the informal groups. Keywords: Group structure, Organizational performance, Employees, Staff turnover

Key words: Organisation · Performance · Work group and Nigeria

INTRODUCTION

In every organizational setting, there is always formal and informal organizational structure. The structure of an organization refers to the way in which people and activities are arranged in such organization. People who do similar work are grouped together for easy communication and effective performance. As an organization grows in size, it becomes unmanageable unless it is more formally structured. Informal structure is also one of the structural options an organization cannot do without. Structure is therefore an integral component of an organization. In most organizations such formations are called group structure. A work group is the internal framework that defines members' relations to one another over time [1]. The elements of such work group include roles, norms, values, communication patterns and status differential [2]. Work group is as well defined as the underlying pattern of roles, norms and networks of relations among members that define and organize the group in an organization [3]. Work group is therefore a pattern of relationships among members that hold the group together and helps it achieve assigned goals. A functional organizational structure is a structure that consists of activities such as coordination, supervision and task allocation. The organizational structure determines how the organization performs or operates. The term organizational structure refers to how the people in an organization are grouped and to whom they report. One traditional way of organizing people is by function. Some common functions within an organization include production, marketing, human resources and accounting.

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Ugwu, (2014), [4], opines that organizational structure allows the expressed allocation of responsibilities for different functions and processes to different entities. Therefore, organizational structure refers to the way in which an organization's activities are divided, organized and coordinated. It has a hierarchical plan of subordination of entities that collaborate and contribute to serve one common objective.

Informal groups are groups that are not formal. In other words, these are neither formally created nor controlled by the organization. These groups are natural formations in the work environment that appear in response to the need for social contact. Informal groups arise spontaneously and voluntarily to satisfy the various social needs, not likely to be fulfilled by the formal organization.

A formal group is deliberately structured and planned to sub serve organizational interests. While formal group is to serve the organization as means to formal ends, informal groups provide social satisfaction and stability to work groups.

In the formation of any group in an organization, the tendency is to influence organizational performance. Though organizational performance is probably the most widely used dependent variable in organizational research today, at the same time, it remains one of the most vague and loosely defined constructs.

The struggle to establish a definite meaning for performance has been going on for many years. Akpala, (2009), [5], posits that the existence of the problem of developing satisfactory criteria of organizational performance is clear enough; its solution is such less obvious. Conceptually, organizational performance has been viewed as the comparison of the value created by a firm with the value owners expected to receive from the firm [6]. Egbo, (2011), [7], in his contribution, opines that a narrow definition of performance centers on the use of simple outcome – based on financial indicators that are assumed to reflect the fulfillment of the economic goals of the firm. They argued that the narrow performance construct of “financial performance” had dominated the strategic management literature and proposed a broader performance construct of “business performance” that would include both financial and operational (new products, product quality, market share) indicators.

In addition, they proposed a construct of organizational effectiveness which consist of business performance that account for the accomplishment of the super ordinate goals held by multiple stakeholders. In effect, organizational performance comprises of the actual output or results of an organization as measured against its intended outputs – goals and objectives [8]. Drucker, (2010), [6], posits that organizational performance encompasses three specific areas of the firm's outcomes namely financial performance (profits, return on assets, return on investment, etc), product market performance (sales, market share, etc) and shareholder return (total shareholder return, economic value added, etc).

Having gone through the assertions of the authorities, it became imperative that one cannot expect much performance from an employee without thinking of the informal structure which most of the employees see as protective backbone in the organization. Therefore, in order to achieve goals and objectives of a set organization, there is need to have a unified body, be it formal or informal, that is ready to work together and have the interest of the employees protected.

> "*It is worthy of note that groups are major feature of organizational life. The work organization and its units are made up of groups of people. Most activities of the organization requires at least some degree of co-ordination through the operation of group working. An understanding of the nature of group is vital if the manager is to influence the behavior of people in the work group towards organizational performance*" [9].

Informal structure in form of Trade Union helps as well the employers in fulfilling or achieving the organizational objectives. Such benefits as maintains Ambro, (2010), in Nnamani, (2014), [11], includes increased morale, invested employees, high performance of the employees and as such better consumer services. Against this background therefore, this study is set to examine work group and organizational performance in the Nigerian banking industry: A Survey of Enugu State.

Objectives of the Study: The broad objective of the study is to examine the effect of work group on organizational performance of Banks in Enugu State. The specific objectives are:

- To determine the effect of work group on Return on Investment of the banking Industry.
- To assess the extent of influence work group have on the performance of marketers in the banking Industry.
- To examine the effect of work group on staff turnover in the banking Industry.

Research Questions: In order to achieve the above objectives, the following research questions were asked.

- What is the effect of work group on the Return on Investment of the banking Industry?
- To what has work group influenced the performance of marketers in the banking Industry?
- What are the effects of work group on staff turnover in the banking Industry?

Hypotheses: Based on the above objective and research questions, the following hypotheses were formulated as guide to the study:

- Work group has no significant effect on the Return on Investment in the banking Industry.
- Work group has no significant influence on the performance of marketers in the banking Industry.
- Work group has no significant effect on staff turnover in the banking Industry.

MATERIALS AND METHODS

Descriptive research method was used in carrying out this study. Under this descriptive research method, survey research was adopted. This method was adopted because of the relatively large population from which the information was collected.

The population of the study is made up of all the staff of the four selected banks in Enugu State namely; United Bank for Africa PLC.- 85, First Bank Nig. PLC-105, Zenith Bank PLC- 75 and Access Bank PLC- 60, totaling 325. The Banks involved in this study were randomly selected. Again, two banks were randomly chosen from old generation banks and two from new generation banks.

In every research study, a researcher is expected to choose a sample size. Since the population of the research work is a finite one, the researcher considered it suitable to use the whole population as the sample of the study.

The instrument for collection of primary data for the study was questionnaire. The questionnaire was structured questions that covered work group and organizational performance in Nigerian banking industry. The researcher adopted face and content validity. The questionnaire items were first sent to the researcher's supervisor as a validator to determine the appropriateness of the instrument and to see if the instrument covers all the aspect of the subject matter under study. Also to determine reliability of the instrument, the researcher adopted test and re-test administration. This involved administration of the questionnaire to a pilot group from the population at different intervening periods. The data for the study were presented in tables while Pearson product-moment correlation coefficients were used for test of hypotheses, analysis were based on the tested hypotheses.

Data Presentation, Data Analysis and Discussion of Findings, Summary, Conclusion and Recommendations

Presentation of Data: From the Table 1 above, out of the total number of three hundred and twenty five (325) questionnaire administered to the respondents, three hundred and eight (308) of them were validly returned, giving a percentage of 94 percent while seventeen (17) of them were not returned, giving a percentage of 6 percent.

Table 1: Shows the distribution and return rate of data collection instrument

Categories	No of Questionnaire Distributed	No of Questionnaire returned and Valid	No of Questionnaire not returned or invalid	Percentage of Returned questionnaire
United Bank for Africa PLC	85	79	6	24
First Bank Nig. PLC	105	101	4	31
Zenith Bank PLC	75	71	4	22
Access Bank PLC	60	57	3	17
Total	325	308	17	94

Source: Field survey, 2016

Table 2: The measurement of the items used in the study were based on 5 point likert scale as shown below

VS	=	Very satisfactory	5 points
J	=	Satisfactory	4 points
MS	=	Moderately Satisfactory	3 point
US	=	Unsatisfactory	2 points
VUS	=	Very unsatisfactory	1 point
SA	=	Strongly Agree	5 points
A	=	Agree	4 points
U	=	Undecided	3 points
DA	=	Disagree	2 points
SD	=	Strongly Disagree	1 point
VE	=	Very Effective	5 points
E	=	Effective	4 points
ME	=	Moderately Effective	3 points
IN	=	Ineffective	2 points
VIN	=	Very Ineffective	1 point

Return on Investment Variable

Table 3: Based on the effectiveness of your work group , how can you rate the achievement of your firm's return on investment for the past one year?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	VUS	55	17.9	17.9	17.9
	US	115	37.3	37.3	55.2
	MS	47	15.3	15.3	70.5
	S	70	22.7	22.7	93.2
	VS	21	6.8	6.8	100.0
	Total	308	100.0	100.0	

Work Group Variables

Table 4: The codes of behaviour of my group renders my social life efficient

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	164	53.2	53.2	53.2
	DA	123	39.9	39.9	93.2
	U	12	3.9	3.9	97.1
	A	8	2.6	2.6	99.7
	SA	1	.3	.3	100.0
	Total	308	100.0	100.0	

Table 5: The extent of interaction within my group has improved my commitment to my organization

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	118	38.3	38.3	38.3
	DA	159	51.6	51.6	89.9
	U	13	4.2	4.2	94.2
	A	14	4.5	4.5	98.7
	SA	4	1.3	1.3	100.0
	Total	308	100.0	100.0	

Table 6: Different social roles we play in our group have improved my job related way of thinking

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	120	39.0	39.0	39.0
	DA	127	41.2	41.2	80.2
	U	24	7.8	7.8	88.0
	A	31	10.1	10.1	98.1
	SA	6	1.9	1.9	100.0
	Total	308	100.0	100.0	

Table 7: Our co-operative goal structure has been portrayed by similarity of our individual goals

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	107	34.7	34.7	34.7
	DA	136	44.2	44.2	78.9
	U	33	10.7	10.7	89.6
	A	25	8.1	8.1	97.7
	SA	7	2.3	2.3	100.0
	Total	308	100.0	100.0	

Performance of Marketers' Variables

Table 8: Customers are satisfied by marketers

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	142	46.1	46.1	46.1
	DA	117	38.0	38.0	84.1
	U	22	7.1	7.1	91.2
	A	20	6.5	6.5	97.7
	SA	7	2.3	2.3	100.0
	Total	308	100.0	100.0	

Table 9: Marketers reach service targets

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	77	25.0	25.0	25.0
	DA	96	31.2	31.2	56.2
	U	46	14.9	14.9	71.1
	A	70	22.7	22.7	93.8
	SA	19	6.2	6.2	100.0
	Total	308	100.0	100.0	

Table 10: Marketers contribution to market share growth

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	VIN	109	35.4	35.4	35.4
	IN	91	29.5	29.5	64.9
	ME	30	9.7	9.7	74.7
	E	65	21.1	21.1	95.8
	VE	13	4.2	4.2	100.0
	Total	308	100.0	100.0	

Table 11: Resolution of customers' complaints

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	VIN	31	10.1	10.1	10.1
	IN	105	34.1	34.1	44.2
	ME	50	16.2	16.2	60.4
	E	84	27.3	27.3	87.7
	VE	38	12.3	12.3	100.0
	Total	308	100.0	100.0	

Variables for Staff Turnover

Table 12: I am actively looking for an alternative job

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	33	10.7	10.7	10.7
	DA	83	26.9	26.9	37.7
	U	48	15.6	15.6	53.2
	A	114	37.0	37.0	90.3
	SA	30	9.7	9.7	100.0
	Total	308	100.0	100.0	

Table 13: The rate of staff turnover in my organization is high

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SD	39	12.7	12.7	12.7
	DA	72	23.4	23.4	36.0
	U	32	10.4	10.4	46.4
	A	116	37.7	37.7	84.1
	SA	49	15.9	15.9	100.0
	Total	308	100.0	100.0	

Test of Hypotheses

Hypothesis One: Work Group has no significant effect on Return on Investment in the banking industry

Table 14: Pearson product-moment correlation coefficient

		Group Structure	Return on Investment
Work Group	Pearson Correlation	1	.856**
	Sig. (2-tailed)		.000
	N	308	308
Return on Investment	Pearson Correlation	.856**	1
	Sig. (2-tailed)	.000	
	N	308	308

**. Correlation is significant at the 0.01 level (2-tailed).

Hypothesis Two: Work Group has no significant effect on performance of marketers in the banking industry

Table 15: Pearson product-moment correlation coefficient

		Group Structure	Performance of Marketers
Work Group	Pearson Correlation	1	.817**
	Sig. (2-tailed)		.000
	N	308	308
Performance of Marketers	Pearson Correlation	.817**	1
	Sig. (2-tailed)	.000	
	N	308	308

**. Correlation is significant at the 0.01 level (2-tailed).

Hypothesis Three: Work Group has no significant effect on staff turnover in the banking industry

Table 16: Pearson product-moment correlation coefficient

		Group Structure	Staff Turnover
Work Group	Pearson Correlation	1	-.829**
	Sig. (2-tailed)		.000
	N	308	308
Staff Turnover	Pearson Correlation	-.829**	1
	Sig. (2-tailed)	.000	
	N	308	308

**. Correlation is significant at the 0.01 level (2-tailed).

Data Analysis: As regards return on investment variable (Table 1), 55.2% of the respondents rated their firm's return on investment as unsatisfactory. Four items were used as measurement indicators for work group variables. The researcher defined work group as the norms, roles and patterns of relationships among the members of a group. This definition did underpin the formulation of the measurement variables used in the study as explained below. Table 2 shows that 93.1% of the respondents disagreed with the statement "the code of behaviour of my group renders my social life efficient". With regards to the next measurement item, (Table. 3), 89.9% of the respondents disagreed with the statement that the extent of interaction within their group has improved their commitment to their organization; the item represented by Table 4 reveals that 80.2% of the respondents did disagree with the statement that different social roles they played in their groups have improved their job related way of thinking.

The above response on work group variables Table, 5 also showed that 78.9% of the respondents disagreed with the statement, that the cooperative goal structure of their group has been portrayed by similarity of their individual goals.

On performance of marketer's variables, four items were used by the researcher for the measurement: one of the measurement items shown in table. 6 is customer satisfaction. However, 84.1% of the respondents disagreed with the statement that their customers are being satisfied by the marketers of their organizations, with regards to reaching service targets, 56.2% of the respondents disagreed as shown in Table 7.

At the same time, 64.9% of the respondents rated the performance of their marketers as being ineffective with respect to market share growth shown in Table 8. Table 9, on the ability of their marketers to resolve customers' complaints 44.2% of the respondents rated their performance as being ineffective, 39.6% rated them as being effective, while 16.2% rated them as being moderately effective.

Base on staff turnover variable, the researcher performed the measurement using two items. Table 10 revealed that 46.7% of the respondents agreed that they feel like quitting their jobs for another one at the slightest provocation, while 37.6% disagreed with the statement; meanwhile, 15.6% of the respondents were undecided with the statement.

Table 11 revealed that 53.6% of the respondents were in agreement of being in the mood of actively looking for an alternative job.

For the test of hypotheses, the researcher used the Pearson's correlation coefficient as the statistical tool and the significance of the coefficient were also, tested. The researcher, maintained a decision rule of rejecting the null hypothesis on the basis of the P value being less than the threshold level of significance being 0.05, otherwise, the null hypothesis would not be rejected.

Null hypothesis one, states that Work Group has no significant effect on the return on investment in the banking industry. Table 12 revealed a correlation coefficient (r) being = 0.656, P = 0.000, N = 308.

Since the P value = 0.000 < 0.05, there is sufficient statistical evidence to conclude that work group, has significant effect on return on investment. Further, the coefficient of determination (r^2) = 0.733 revealing that variance of return on investment was accounted for by work group to the level of 73%.

Null hypothesis two, states that work group has no significant influence on the performance of marketers in the banking industry. Table 14, revealed a correlation coefficient (r) of 0.817, P = 0.000, N = 308.

Since the P value = 0.000 < 0.05, there is sufficient statistical evidence to conclude that work group, influence the performance of marketers in the banking industry. The coefficient of determination (r^2) = 0.667 showed that work group accounted for 67% of the variance in performance of marketers in the banking industry. The researcher, observed, a positive correlation between the variances tested in hypothesis one and two.

Null hypothesis three states that work group has no significant effect on staff turnover in the banking industry (successively, organizations studied). Table 15, revealed a correlation coefficient (r) of 0.829, P = 0.000, N = 308.

Since the P Value = 0.000 < 0.05, there s sufficient statistical evidence to conclude that work group has significant effect on staff turnover in the banking industry. The coefficient of determination (r^2) = 0.687 revealing that effectiveness of work group accounted for 69% of the variance in staff turnover.

DISCUSSION

Objective one was to determine the effect of work group on return on investment in the banking industry; the research hypothesis was supported being that work group has significant effect on return on investment in the banking industry, the correlation coefficient was positive suggesting that increase in effectiveness in work group used in the study, could have brought about corresponding increase in return on investment vice versa. The items that measured the work group construct revealed ineffectiveness in the work group and this could have translated to corresponding decrease in return on investment as expressed by the dissatisfaction shown by the respondents in the data analysis performed. Although, correlation coefficient was used for measuring association between variables, thus, the two variables in objective one were positively associated. The ineffectiveness of the work group in the organizations study could be traced to the nature of banking job being performed by the respondents; the workers do not have enough time for leisure activities which could have manifested in the work group not being harmonized and formidable enough to create a positive effect on the workers' performance.

Objective two was centered on the extent of influence work group has on the performance of marketers in the banking industry. The research hypothesis was also supported being that work group has significant influence on the performance of marketers in the banking industry. Thus, the two variables were ascertained to be positively correlated, the degree of association was high also. So, the relationship between work group and performance of marketers in the organizations studied was reflected on the degree to which the respondents disagreed with the statement that customers are being satisfied by the marketers of their organizations. The respondents also disagreed with the statement that supports marketers reaching service targets. Naturally, an unhappy worker, who do not have a formidable group that enhances relaxation could also default in his/her responsibilities on the job.

Objective three was on the effect of work group on staff turnover. The research hypothesis was supported, showing a negative relationship, i.e. increase in effectiveness of work group, could bring about decrease in turnover of the respondents. Also, decrease in effectiveness in work group could result in increase in turnover of the respondents. Based on the level of ineffectiveness revealed in the items, measuring work group, the researcher also, found that majority of the respondents were actively looking for alternative jobs. These results were unveiled at the time the research was carried out.

Summary of Findings: Following the answers of the respondents and the subsequent test with statistical tool, it was established:

- That work group has effect on return on investment in the banking industry. Low return on investment in the banking industry is traced to the nature of banking job being performed which does not give room for leisure and effective informal groups.
- Work group has also significant influence on the marketers in the banking industry. Lack of informal group and informal relationships in the banking industry make marketers perform below expectation.
- Work group was also discovered to be one of the factors that affect staff turnover. Ineffectiveness of work group due to inadequate or absence of informal groups, brings about insecurity and effective work group brings about job security and, invariably, high performance of the employees.

CONCLUSION

The study has shown that management is not encouraging work group in the banking industry by its refusal to recognize the importance of the group in the attainment of the goals and objectives of the banks. The inherent pressure by work group on the employees which invariably could bring about inducement of higher performance on the employees is lagging in the industry. It is also evident that a work group with effective informal group brings about low staff turnover because of job security associated with it. The earlier the management in the banking industry in Enugu state recognizes informal group structure and allows it to thrive, the more productive will be their employees.

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