

## Team building and performance of manufacturing firms in Nigeria

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### Abstract

The study examined the effect of team building and organizational performance of manufacturing firms in South-South Nigeria. The objectives of the study were basically to investigate the effect of commitment and performance appraisal and reward on the performance of manufacturing firms in south-south Nigeria. The descriptive survey design was used for the study. The population of the study was 4,775 out of which a sample of 533 was derived using the Golden's formula. Instruments used for data collection was a structured questionnaire. The questionnaire was checked for reliability using pilot survey method. 533 copies of questionnaire were administered and a response rate of 95.8% (500) was obtained. The hypotheses were tested using regression method, Pearson product moment correlation coefficient with the aid of Statistical Package for Social Sciences (SPSS) version 23. Statistical values of 0.987 and 0.943 for commitment and performance appraisal and reward were obtained respectively at 5% (0.05) level of significant. The results of the analysis revealed that the performance of manufacturing firms is dependent on team building variables; commitment and performance appraisal and reward. Based on the findings, the study concluded that team building is sensitive and fundamental to the productivity and performance of manufacturing firms. The study recommends among others; that organizations and their managements including team leaders should endeavour to create an environment whereby increased team commitment is encouraged; and in which the employees/team members share their problems with each other within the team. Organization and their managements are advised to ensure a proper design of the performance appraisal and reward system and also its proper administration. Poorly designed performance appraisal exercises (whereby individuals are appraised without specific mention of their team involvements) may lead to failure of the team building interventions and also team/organizational performance.

**Keywords:** 1.Team Building, 2.Commitment, 3.Performance Appraisal, 4.Reward, 5.Organization, Performance.

### Introduction

Every organisation either small or large, aims to improve its performance so as to achieve success and maintain a valuable image in this present world of competition. Team building is an important factor for the smooth functioning of an organisation. Firms which emphasize more on teams have resulted to increased employee performance, greater productivity and better problem solving at work (Cohen and Bailey, 2010). But many firms today is very far from this fact. Emphasis is no more laid on team building because of lack of team trust. Organisational goal cannot be achieved when there is lack of team trust. The concept of team trust appears when the members of a team believe in each other competence and occupational abilities. Trust among the team members comes when members of the team develop the confidence in each other's competence.

Another consequence of lack of team building in a firm is the problem of lack of interdependence among workers. In team work, members work interdependently and work toward both personal and team goals and they understand these goals are accomplished best by mutual support. It is unfortunate that in today manufacturing firms, workers don't depend on one another to achieve set goal. This has equally open doors for lack of commitment and competence in workplaces. Avoidance of accountability has also become a common feature in so many organisations. This limitation to team building has affected firms negatively over the years. People don't want to choke as a result, they avoid team work.

Furthermore, Rodger and Mickan (2013) argue that positive relation exists between team building and organisational performance. Another study by Abuzid and Abbas (2017) also revealed that there was a positive significant relationship between team building and organizational performance. But the same study carried out by Ahmed (2015) on the relationship between team building and organisational performance shoed negative correlation between the dependent and independent variables. As a result, there was a divergent view from the authors on this subject matter.

In this era of increased competition, leaders recognize the importance of team building/teamwork more than ever before. Teams can expand the outputs of individual through collaboration. Employees who are working in teams become the standard for organization (Alie, Beam and Carey, 2015). Nevertheless, team building is an important factor for the smooth functioning of an organization. Most of the organizational activities become complex due to advancement in technology therefore teamwork is a major focus of many organizations.

Teamwork is a precise organizational measure that shows many different features in all type of organizations including non-profit (Mulika, 2010). Ichniowski et al (2017), viewed teamwork as a strategy that has a potential to improve the performance of individuals and organizations, but it needs to be nurtured overtime.

Organizations need to look at strategies for improving performance in the light of increasingly competitive environments. Top managers need to have the vision to introduce teamwork activities within the firms, the sensitivity to nourish it and courage to permit teams to play an important part in decision-making. Peace and Mohammed (2014) reported that teams offer greater participation, challenges and feelings of accomplishment; and firms with teams will attract and retain the best people. This in turn creates a high performance in organization that is flexible, efficient and most importantly profitable. Profitability is the key factor that will allow organizations to continue to compete successfully in a tough, competitive and global business arena.

### **Objectives**

- Determine the influence of commitment on the performance of manufacturing firms.
- Investigate the effect of performance appraisal and reward on the performance of manufacturing organisations.

### **Hypotheses**

- Commitment has no significant positive effect on the performance of manufacturing firms.
- Performance appraisal and reward has no significant positive effect on the performance of manufacturing organizations.

## Conceptual Framework

**Team Building:** Team building is the process of working collaboratively with a group of people in order to achieve a goal. Team-building/teamwork is as old as mankind, and many organizations use the term teamwork in either one sense or the other, such as in production, marketing processes, etc. Management team, production team or an entire organization can be referred to as a team. There is a growing consensus among scholars in the world that organizations may be getting works done through individuals, but the super achievement lies in the attainment of set goals through teams (teamwork). In this regard, team-building is a philosophy of job design that sees employees as members of interdependent teams rather than as individual workers. From the early 1980s team-based structures have been replacing the highly formalized, centralised and departmentalised mechanistic structures that were previously the norm in the work organizations. The use of teams has spread rapidly arising from the belief that development of strong and effective production and managerial teams will lead to the potential for higher performance and increase job satisfaction (Ahmed, 2015). Thus, compared to organizations that has traditional department on similar structures in their design, the organizations which are oriented at teamwork or other team building activities, can experience such benefits as the achievement of flexibility, the acceleration in decision making, task distribution and focusing on organizational goals as well as the increase in the motivation and synergy among team members (Isik, Timuroglu and Aliyev, 2015). Kirkman et al (2018) asserted that groups become teams when they develop a sense of shared commitment and strive for synergy among members. In the view of these definitions, Guzzo and Dickson (2015) suggested that the "Labels of team and group should be used interchangeably, recognising that there may be degrees of difference rather than fundamental divergences, in the meaning implied by these terms". Moreover, Agarwal and Adjiracker (2016) describe teamwork as an idea of working together in a group to achieve the same goals and objectives for the good of the service users and organizations in order to deliver a good quality of service.

**Commitment:** Commitment is hard work, diligent and loyalty to an individual or organisation to carry out an assignment or obligation. A committed employee does not make provision for failure. This type of attitude of worker is made clear based on the type of treatment that is given to them by the firm especially where there is interdependency in terms of service delivery. High committed work practices do improve performance, labour productivity and the quality of service (Meyer, 2019). Sometimes it is very difficult for a single individual to be marked as been committed without the support of other workers. In other words, commitment is encouraged with the help of other employees. Organisations value commitment among the employees because it is typically assumed to reduce withdrawal behaviour, such as lateness, absenteeism and turnover (Peace and Mohammed, 2014). In fact, the study of employee commitment is important because; Lo (2019) noted that employees with sense of employee commitment are less likely to engage in withdrawal behaviour and more willing to accept change. There is need for interdependent in terms of service delivery especially in manufacturing firm because of processes that products goes through before final stage. All departments, administration, account, production, marketing, sales etc. must work as a team before objectives can be accomplished. Lapses by any of these units may cause untold set back to the firm.

**Performance Appraisal and Reward:** A performance appraisal is a systematic general and periodic process that assesses an individual employee's job performance and productivity in relation to certain pre-establish criteria and organizational objectives. Performance appraisals are often seen as a method for providing feedback and rewards for meeting goals, all of which have been linked to motivations in previous research. In most firms, individuals are appraised without specific mention of their team involvements, and bonuses and other rewards are based on these individual appraisals. In fact, many employees serve on teams, but their performance on the team may or may not even come up specifically in their performance appraisal (Brown, 2009). It is important that individuals' accomplishments in teams be an integral part of their annual performance appraisals. To Manzoor et al., (2011), recognitions and rewards are the primary focus of the

individuals who are working in teams. Managers must plan and design an appropriate performance appraisal/reward system for the employees and encourage their participation in team projects. They must also set the team goals which are connected with the company's strategic plan, building of employee performance and fair payment methods.

**Organizational Performance:** Organizational performance is based on the fundamental capacity to accomplish its goals effectively and efficiently using available resources of the organization (Grody, Harmantzis and Kaple, 2005). Santomero (2004) asserts that achieving organizational goals and objectives are functional to changes in financial markets that need adjustment in order to operate within the taste of time. The material and source that is made available within any point in time is very crucial to the success of every organizational performance, irrespective of the type of expertise that the organization possesses. This is also connected to the type of structure that is in place. Organizational structure and culture over the years has explained the output of the firm. The cultures of organization which project the practice of the organization affect the organization's performance either positively or negatively. Ricardo and Wade (2013) stated that the success of an organization is based on high return on equity and which becomes possible due to the establishment of good employee performance and management system. Performance concentrates on how well and badly a job is done by individuals, groups and organizations and also presents the amount of effort exerted on a given assignment. Armstrong and Baron (2016) maintain that organizational performance requires team work before goal are achieve, whether an entrepreneur might be skilful, he must learn to cooperate with his employees in proper risk management based on uncertainties that are involved in business environment for effective performance. Furthermore, organizational performance is understood to be how managers manage the available resources of the organization effectively in order to achieve set goals of the organization. Manufacturing firms today remain in a place for decades because they refuse to welcome ideas that bring success through team work.

### **Empirical Review**

Ahmed (2015) carried out a study on the effect of teamwork on the performance of SMEs in the northern part of the country to ascertain its implication on business expansion, selected 120 business enterprises was used for the study. Questionnaire was administered to the respondents accordingly and data was also analysed with aid of chi-square tools. It was statistically revealed that negative relationship exists between the variables. There was an insignificant correlation. Boakye (2015) examined the impact of team work on organizational performance on employee of KomfoMokye Teaching Hospital and Ejisu Government Hospital in Ghana. Self-structured questionnaire was used in the data collection. The research study used correlation technique in other to analyse the relationship between two variables that is, team work and organizational performance. It was revealed that there was a positive significant relationship between team work and organizational performance. Ikon, Onwuchekwa and Okolie-Osemene (2018) examined team building and employee performance in selected breweries in South-East Nigeria, while the study specifically ascertained the relationship between harmonization and service delivery of the selected breweries in South-East Nigeria. The study used descriptive survey design with a sample of 262 respectively, Pearson product moment correlation and SPSS Version 22 were used to test the hypotheses at 0.05 level of significance. The study revealed that when there is harmony among the employees of an organization, there is always cohesion, trust, commitment and understanding of team dynamics, thereby improving service delivery of employees of the selected breweries.

### **Methods**

The study utilized descriptive survey design because it required data collection so that questions regarding the current status of the subject of the study can be answered. The population was 4,775 consists of employees with minimum working experience of three years who are permanent staff in manufacturing industries in South-South Nigeria. To make the selection reasonable, stratified random technique was employed to group

the population into strata or subgroups- Akwa-ibom, Bayelsa, Cross River, Delta, Edo, and Rivers State. Sample size of 533 was derived using the golden's formula. Well structured questionnaire was used for data collection. 533 copies of questionnaire were distributed by the researchers and research assistants. The essence of research assistants is to make the coverage of the area under study easier. The questionnaire was retrieved one week after necessary responses to the questionnaire and 500 (95.8%) copies were returned and found valid for analysis. Correlation coefficient was used for the analysis using Pearson Product Moment Correlation Coefficient with the aid of Statistical Package for Social Science (SPSS) version 23. The statistical values of 0.987 and 0.943 for commitment and performance appraisal and reward were obtained respectively at 5% level of significance. The results of the analysis indicated that the performance of manufacturing firms is dependent on team-building.

## Results and Discussion

### Hypothesis One:

Ho: There is no strong positive relationship between commitment and performance of organizations.

Hi: There is a strong positive relationship between commitment and performance of organizations.

### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.987 <sup>a</sup>	.974	.973	.24104	.162

a. Predictors: (Constant), Commitment

b. Dependent Variable: Performance (Behavioural/Attitudinal Outcomes)

### ANOVA<sup>a</sup>

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	978.416	3	326.139	5613.147	.000 <sup>b</sup>
	Residual	26.495	456	.058		
	Total	1004.911	459			

a. Dependent Variable: Performance (Behavioural/Attitudinal Outcomes)

b. Predictors: (Constant), Commitment

### Coefficients<sup>a</sup>

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.447	.031		-14.324	.000
	Commitment	.411	.022	.287	18.561	.000

a. Dependent Variable: Performance (Behavioural/Attitudinal Outcomes)

R = 0.987

R<sup>2</sup> = 0.974

F = 5613.147

T = (18.561; 45.707; 0.739)

DW = 0.162

The regression sum of squares (978.416) is greater than the residual sum of squares (26.495), which indicates that more of the variation in the dependent variable is explained by the model. The significance value of the F statistics (0.000) is less than 0.05, which means that the variation explained by the model is not due to chance. R, the correlation coefficient which has a value of 0.987, indicates that there is positive relationship between commitment and performance (Behavioural/Attitudinal Outcomes). R square, the coefficient of determination, shows that 0.974% of the variation in performance is explained by the model. With the linear regression model, the error of estimate is low, with a value of about .24104. The Durbin Watson statistics of 0.162, which is not more than 2, indicates there is no autocorrelation. The employee commitment coefficient of 0.987 indicates a positive significance between commitment and performance, which is statistically significant (with  $t = 18.561$ ; 45.707), but commitment which is not statistically significant (with  $t = 0.739$ ). Therefore, the null hypothesis should be rejected and the alternative hypothesis accordingly accepted. Thus there is a strong positive relationship between commitment and performance in the organisations under study.

### Hypothesis Two:

Ho: Performance appraisal and rewards does not positively influence performance of organizations.

Hi: Performance appraisals and rewards positively influence performance of organizations.

### Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.943 <sup>a</sup>	.890	.889	.55300	.070

a. Predictors: (Constant), Performance Appraisal/Rewards

b. Dependent Variable: Performance (Behavioural/Attitudinal Outcomes)

### ANOVA<sup>a</sup>

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1130.029	2	565.014	1847.614	.000 <sup>b</sup>
	Residual	139.754	457	.306		
	Total	1269.783	459			

a. Dependent Variable: Performance (Behavioural/Attitudinal Outcomes)

b. Predictors: (Constant), Performance Appraisal/Rewards

### Coefficients<sup>a</sup>

	Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.379	.051		-7.482	.000
	Performance Appraisal	.791	.035	.732	22.282	.000
	Rewards	.321	.045	.232	7.064	.000

Dependent Variable: Performance (Behavioural/Attitudinal Outcomes)

R = 0.943

R<sup>2</sup> = 0.890

F = 1847.614

T = (22.282; 7.064)

DW = 0.070

The regression sum of squares (1130.029) is greater than the residual sum of squares (139.754), which indicates that more of the variation in the dependent variable is explained by the model. The significance value of the F statistics (0.000) is less than 0.05, which means that the variation explained by the model is not due to chance. R square, the correlation coefficient which has a value of 0.943, indicates that there is positive relationship between performance appraisal and rewards; and performance. R square, the coefficient of determination, shows that 0.89.0% of the variation in performance is explained by the model. With the linear regression model, the error of estimate is low, with a value of about .55300. The Durbin Watson statistics of 0.070, which is not more than 2, indicates there is no autocorrelation. The performance appraisal and rewards coefficient of 0.943 indicates a positive significance between performance appraisal and rewards; and performance, which is statistically significant (with  $t = 22.282$ ; 7.064). Therefore, the null hypothesis should be rejected and the alternative hypothesis accordingly accepted. Thus performance appraisals and rewards positively influence performance in the organisations under study.

### Discussion

The test in hypothesis one showed that there is a strong positive relationship between commitment and performance in the manufacturing firms under study. This finding is supported by Lo, et al, (2019) who are of the view that a positive correlation exist between employee commitment and employee job satisfaction level/performance in organizations. Shastric, (2020) also supported this finding by observing that increase in employee commitment results in better employee performance. Also, the results of the test of hypothesis two revealed that performance appraisal and rewards positively influence performance in the organizations under study. The view appears consistent with the views of Sanyal and Hisam (2018) who stated that a moderate and positive relationship exists between performance appraisal and rewards and employee/organizational performance. Manzoor, et al., (2011) also lends credence to Sanyal and Hisam (2010) conclusion by observing that employee performance appraisal, rewards and recognition has significant positive effect on employee/organizational performance.

### Conclusion

Team building is an important factor for the smooth functioning of an organisation. Firms which emphasize more on teams have resulted to increased employee performance, greater productivity and better problem solving at work. The study has specifically addressed team building and organizational performance in manufacturing firms in the South- South of Nigeria, with particular reference to thirty selected manufacturing firms in the region. Commitment has been proved in the study to positively influence performance. The study also revealed that performance appraisal and reward positively influences performance in the organization under study.

### Recommendations

On the basis of the findings of the study, the following recommendations were made:

- Organizations and their managements including team leaders should endeavour to create an environment whereby increased team commitment is encouraged; and in which the employees/team members share their problems with each other within the team.
- Managements are advised to ensure a proper design of the performance appraisal and reward system and also its proper administration. Poorly designed performance appraisal exercises (whereby individuals are appraised without specific mention of their team involvements) may lead to failure of the team building interventions and also team/organizational performance.

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