

A PHENOMENOLOGICAL EVALUATION OF ORGANISATIONAL HEALTH AND GROWTH OF SMEs IN NIGERIA

BY

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ABSTRACT

The focus of this study is to investigate the influence of Organisational Health as non- financial indices on SMEs' growth in Nigeria. Research results revealed that SMEs in Nigeria suffer stagnation and high mortality rates despite financial factors. This suggests that these financial factors have not sufficiently impacted on SMEs' growth in Nigeria. This study is important because it is intended to fill the gap in previous research done by Jaja (2009) and Mezera and Spicka (2013) on financial indices by performing an in-depth analysis of the non- financial indices of selected Nigerian manufacturing firms.

The conceptual framework of the study includes dimensions of Organisational Health classified as soft and hard factors. Soft factors are the behavioural aspects of management which are; perceived leadership and managerial capability. While the hard factors are work processes and control techniques; accountability and reporting structure. The non-financial elements of growth include success and survival.

This interpretive phenomenological study adopted an inductive approach using the philosophical paradigm of constructivism to increase general understanding of situations. Consequently from the rich data gathered, ideas were induced but did not necessarily create new theories. This approach was used to inductively and holistically understand human experiences using case studies. Data collection methods included general observations and in-depth semi-structured interviews with a sample size of thirty respondents from ten manufacturing SMEs. Non-probability and stratified (strategic, tactical, operational) sampling techniques were used. The data analysis involved the use of Nvivo software.

Key findings reveal that connectivity and relationship exist between dimensions of Organisational Health with capability and leadership on one hand and accountability and reporting structure on the other. All of which have influences on the survival and success of SMEs. It must be said however that capability and accountability have stronger influences on the growth of SMEs compared to leadership and reporting structure. This study revealed that the successes of SMEs are closely tied to socio-psychological processes and not merely to financing support.

Contributing to knowledge, capability encompassing HR skills and accountability seem to be the ultimate foundation of Organisational Health. Entrepreneurs should be aware of industry conditions to improve their non-financing strategies and policy makers should understand the dimensions of Organisational Health in order to provide adequate training for them.

Keywords: organisational health, small and medium enterprises (SMEs), non-financial performance, leadership capability, accountability, business growth, phenomenological study, Nigeria

DECLARATION

This thesis embodies the results of my own work, composed and written by myself. I have acknowledged the work of other authors where necessary and made appropriate referencing.

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LIST OF ABBREVIATIONS (GLOSSARY)

AMO	Ability, Motivation and Opportunity to Perform Theory
CBN	Central Bank of Nigeria
CGS	Credit Guarantee Scheme
DCT	Dynamic Capability Theory
EI	Emotional Intelligence
EU	European Union
GDP	Gross Domestic Product
GST	General System's Theory
HR	Human Resource
HRM	Human Resource Management
HRS	Human Relations Skill
ILDC	Industrially Less Developed Countries
ILO	International Labour Organisation

ITPS	TheSwedishInstituteforPolicyGrowthStudies
LIEI	LimitationinExistingInfrastructure
MISFIT	Market,Infrastructure,SupportService,Finance,Information, Technology
MSME	MicroSmallandMedium Enterprise
NBS	NationalBureauofStatistics
OBJ	Objectives
OCB	OrganisationalCitizenshipBehaviour
PBF	PerformanceBasedFunding
PC	ProductCommercialisation
PRWA	ProblematicRelationshipwithAdministration
RA	ResearchAim
RO	RelevantOutcome
SDT	SelfDeterminationTheory
SET	SocialExchangeTheory
SME	SmallandMediumSizedEnterprise
ST	System'sTheory
VC	VentureCapital

PERSONAL REFLECTION

My name is Gift Ugwe Roman born on the 23rd of April 1973, married for twenty two years with five children. I have a BSc in Accounting, an MBA and MSc in Management. Professionally, I am a Chartered Accountant hence a member of the institute of Chartered Accountants of Nigeria ICAN. I am also a member of the Nigerian Institute of Management NIM. I am a Knight of St. Mary. I am the founder and president of Ukari Godswill Foundation; a foundation set out to provide means of livelihood for the less privileged in the society. I have over fifteen years working experience in an oil firm in Nigeria. Presently I am the head Costs and Assets Section of the Accounts department. I have held several leadership positions in and outside my work place.

As a leader, I am always interested in the growth of individuals and organisations. Sequel to the importance of SMEs in a country's economy, the growth of SMEs became an area of concern to me. Consequently I decided to observe SMEs in Nigeria and discovered that they rely mostly on financial indices like bank loans, personal savings and grants from the government. Despite availability of funds, SMEs suffer from high mortality rates and stagnation. This motivated me to carry out a study on Organisational Health as a non-financial indices and growth of SMEs in Nigeria.

By this study, I have developed a way of reasoning which aligns with the philosophical paradigm of constructivism. This study has broadened my horizon of knowledge. The knowledge I have acquired will be disseminated to my subordinates in the different spheres of life. This study has improved my academic writing; knowledge of which I will disseminate to as many that intend going in for similar studies.

From the findings of my study, capability which includes human relation skills and accountability has stronger influence on the growth of SMEs. I will prioritize the implementation of these non-financial dimensions of Organisational Health in my place of work and every other place I have dealings with human resources. I will disseminate same in the organisation where I work and the SMEs where I gathered data.

CHAPTER ONE

INTRODUCTION

Small and Medium-Sized Enterprises (SMEs) do make large contribution to a country's economy as research has shown (Jaja, 2009). A phenomenological evaluation of the health of SMEs in the Nigerian context is of great concern. This study is an interpretive study hinged on non-financial indices. Consequently the non-financial dimensions of Organisational Health and non-financial measures of growth are the key constructs of this study. It is therefore important to understand the Nigerian perspective of the non-financial key constructs of this study.

1.0 BACKGROUND TO THE STUDY

Scholars have shown interest in the development of Industrially Less Developed countries (ILDC) and have analysed the efficiency of financial support for the development of Small and Medium Sized Enterprises (SMEs) in terms of their contribution to gross domestic product (GDP), value creation and employment generation (Jaja, 2009; Osalor, 2011a). Similarly, research results by James et al. (2011) revealed that SMEs foster market diversification, promote innovation and provide many employment opportunities yet they suffer from stagnation and high mortality rates.

Market diversification as defined by Ibrahim et al. (2013) is the act of expanding or entering into new markets which are different from the firm's existing product lines. This could also mean modification of products to meet new market opportunities or development of new products to meet existing market demand. It was further suggested that market diversification is a strategy implemented by top executives to achieve business growth (Osalor, 2011b). This entails entering new businesses, taking advantage of incoming opportunities and attaining above-average returns. Innovation is described as the development of

new values through solutions that meet new requirements, of customer and market needs (Battilana and Casciaro, 2012). According to Keller and Price (2011a), it is the quality and flow of new ideas.

Considering the aforementioned importance of SMEs, growth of SMEs seems inevitable (James et al., 2011). To foster growth and encourage sustainability of SMEs in Nigeria, this study evaluates the non-financial dimensions of Organisational Health and non-financial measures of Growth. It is apparent that there may have been problems that necessitated this study on the non-financial indices (dimensions and measures) of Organisational Health and Growth respectively. Having knowledge of these problems will obviously set the tone for this study.

1.1 STATEMENT OF RESEARCH PROBLEM

Research has shown that there has been over reliance on financial indices which include financial support from banks, personal savings and grants from the government and other agencies to foster and sustain the growth of SMEs (Ahiauzu, 2010). It is a paramount concern that despite the reliance of SMEs on the financial indices, the targeted growth is hardly achieved and rather mortality rate is on the increase (Hamilton and Jaja, 2011). Ofeogbu and Akanbi (2012) contended that financial indices do not create sustainable competitive advantage in SMEs. This also constitutes a problem since the growth of SMEs needs to be sustained to actualise and retain the benefits of SMEs.

It has also been discovered that SMEs in both Industrialised and Developing Countries have difficulties in obtaining financial support from banks and financial institutions (Jacob and Ranga, 1995). The reasons given by Jacob and Ranga (1995) for the encountered difficulties in obtaining financial assistance from institutions are listed in Table 1.1.

Table 1.1 Encountered Difficulties in Obtaining Financial Assistance.

S/No	Encountered Difficulties	Reasons
1.	Lending to SMEs is considered risky.	This is due to uncertainties facing SMEs, high mortality rates of SMEs and their vulnerability to market and economic changes.
2.	SMEs suffer neglect.	Banks and financial institutions are biased in favour of lending to large corporate borrowers.

3.	In ability to access loans from banks and financial institutions	The administrative costs of lending to SMEs are high and cut deep in to the profitability of such loans.
4.	Unwillingness of banks to finance SMEs.	SMEs that seek loans do not or are unwilling to provide accounting records, documentation sorcoll at eralre quired bybanks for the loans.

Source: Modified from Schiffer and Weder (2001); Carpenter and Petersen (2002); Beck et al. (2004); Madestam (2005).

In an attempt to overcome some of these problems, the Credit Guarantee Scheme (CGS) has been introduced (Boocock and Shariff, 2005). According to Zechinni and Ventura (2009) CGSs are set up to cover some portion of the losses incurred when borrowers default on loans. In addition, the CGS encourage financial institutions, such as commercial banks to lend to SMEs with viable projects and good prospects of success but are unable to provide adequate collateral or record of financial transactions that prove them being credit worthy (Barth et al., 2011). Consequently, it could be regarded that CGSs still do not fully solve the challenges of SMEs.

Similarly, Mezera and Spicka (2013) in their study of the economic performance of the Czech food processing sector, with focus on SMEs, revealed the importance and effects of investment support targeted at adding value to food products in the Czech Republic. The study, significantly, that there are effects on performance of financially supported companies compared to companies without public investment support. The research finding

was that investment support has a positive impact on financial stability and growth, though this is not sustainable. All the aforementioned supports to SMEs are financial indices aimed at enhancing the growth of SMEs. However, research revealed that this aim has not been achieved and hence, is a problem and cause for concern. (Keller and Price, 2011a).

Venture capital (VC) is also considered to be a useful tool to enhance growth in SMEs and so foster economic development. Literature has shown, from a study completed in Spain by Balboa et al. (2011) that VC has a positive impact on the performance of firms. As theorised by some authors, one of the basic premises of VC is leverage, which often means adding money and other resources to speed up firm growth (Davila et al., 2003; Belke et al., 2006; Bill et al., 2009; Jaja, 2009; Balboa et al., 2011; Keller and Price, 2011a; Osalor, 2011a; Smolarski and Cankut, 2011). Accordingly, Venture Capital Financing is divided into four categories as shown in Table 1.2.

Table 1.2. Categories of Venture Capital Financing

S/No	Category	Definition
1.	Incremental financing	Process where capital funding is received by firms in portions.
2.	Lump-sum funding	Process where funding is in one lump-sum.
3.	Syndication	Funding is by two or more external investors. They participate in a single Finance in ground.
4.	Non-syndicated financing	Funding is by one investor who Participates in a single financing round.

Source: Modified from Smolarski and Cankut (2011)

However evidence from a pilot study suggested that this classification of financial support is not favourable to the growth of SMEs in Nigeria (Ahiauzu, 2010). It is imperative that all the foregoing extracts are focused on financial indices. Chio (2006) in support of CGS determined the degree of effectiveness of SMEs in the industrially more developed economies. Drawing from the work of Chio (2006), CGS for SMEs' financing has been one of the most important public support programs

for the development of the ILDE. This is not likely to reflect the Nigerian situation (Ahiauzu, 2010). Ahiauzu (2010) asserted that in Nigeria there are public financial agencies established to manage the CGSs for SMEs' operations. These agencies appear not to have been efficient and effective as a result of high level of corruption and negative political influences on the operators (Fubara, 2010; Hamilton and Jaja, 2011).

There are two other common start-up financing

alternatives. These have been identified by Hamilton and Jaja (2011) as personal savings and bank loans. Accordingly, banks remain the most popular source of financing for present and future needs, followed by leasing companies (Shariff et al., 2010). In addition, there are informal types of financing such as Akawo and Osusu. Akawo and Osusu are indigenous Ibo concept of personal savings and financial contributions engaged upon on grounds of moral support for the members of the group. All the sources of finance are in a bid to create sustainable growth of SMEs. Notwithstanding this financial architecture to engineer growth of the SMEs, they remain stagnated and underdeveloped (Fubara, 2010). It therefore becomes imperative to look at other factors that can enhance the growth and development of this important sector of production services. This is a fundamental problem.

1.2 JUSTIFICATION FOR THE STUDY

Jaja (2009) argued that several financial factors such as bank loans, personal savings, CGSs and leverages have been adopted as measures of impact on growth of SMEs in Nigeria, yet the SMEs growth rate has continued to be low. Jaja (2009) concluded that nearly one-fifth of all such business is dissolved within three years of beginning their operations and over one-half cease operations within five years. Keller and Price (2011a) theorised that focusing on managing performance (financial indices) rather than Organisational Health (non-financial indices) can lead to business failures. The research observed that out of 18 existing businesses, a fifth ceased to exist after a certain period while, 46 per cent were struggling and only a third was still doing well. Accordingly, this failure to thrive in business proved that the financial indices, otherwise known as traditional sources, are not enough in sustaining a competitive advantage. In situations like this, senior managers can sustain a competitive advantage by imbibing the non-financial indices, as in the non-financial dimensions of Organisational Health, which will result in the non-financial measures of growth (survival and success) (Keller and Price, 2011a).

Inline with this, Mezera and Spicka (2013), in their study of the economic performance of the Czech food processing sector, employed the quantitative analysis of 245 of 336 applications as their research findings; which supported the idea that investment support has a positive impact on financial stability. Despite this finding, Mezera and Spicka (2013) argued that the

assessment of non-financial indices is the challenge for future research. This therefore indicates a gap in literature. Confirming this, Ahiauzu (2010) and Fubara (2010) contended that despite associated public funding supports in Nigeria, there is little concrete scientific evidence to support the idea that such financial supports alone actually facilitate Firm Growth and prosperity in targeted SMEs.

Recently the Swedish Institute for Policy Growth Studies (ITPS), a Swedish government organisation, used secondary data and standard statistical techniques to demonstrate that a generous support program such as financial supports has had a minimal effect. Therefore if public and personal financial supports do not create sustainable competitive advantage, it seems other factors have to be considered. (Faote et al., 2004; Greene and Storey, 2004; Lambrecht and Pirnay, 2005; Norrman and Bager-Sjogren, 2006; Ankarhem et al., 2007 and Bill et al., 2009)

There is therefore strong empirical support for a search of the non-financial factors that can ignite Firm Growth (Ofeogbu and Akanbi, 2012). This highlights the fact that there is a gap in our knowledge since the financial indices alone cannot guarantee sustainable Firm Growth. This in turn generates the need to consider these non-financial indices such as Organisational Health in the Nigerian context.

The successes of SMEs are therefore closely tied to planning and management processes and not merely to financial support on the part of the public or any other sources of financing (Ahiauzu, 2010). These processes are likely to increase the chances of survival and success of SMEs. This again confirms that there is a short fall in knowledge since the financial indices alone cannot guarantee sustainable Firm Growth.

1.3 SIGNIFICANCE OF THE STUDY

This study is important because it fills a gap in previous research by Jaja (2009) and Mezera and Spicka (2013), on financial indices, by performing an in-depth analysis of the non-financial indices of selected Nigerian manufacturing firms. Other studies examined SMEs' financing at the macro or national level (Mezera and Spicka, 2013) but this study examines non-financial indices at a macro level, that is, the industry level. The study by Abdullah et al. (2009) revealed that the soft factors have significant influence on firm performance using quantitative data. This study evaluates the significant influence of both the soft and hard factors on Firm Growth using qualitative data in the Nigerian

context.

This study will be of interest to academics, managers and policy makers concerned with the management of human resources especially in the SMEs. The result will elaborate the non-financial pattern of SMEs' growth in Nigerian manufacturing firms and help indigenous and international entrepreneurs to be aware of industry conditions and improve their non-financing strategies. Further more, the results of this study may be used by managers to prioritise the implementation of the soft and hard factors in order to allocate resources to improve Firm Growth.

1.4 AIM OF THE STUDY

The major aim of this study is to phenomenologically evaluate the interpretation of the non-financial dimensions of Organisational Health in relation to the non-financial elements of Growth of SMEs in the Nigerian context.

1.5 OBJECTIVES OF THE STUDY

Drawing from the Conceptual Framework, the objectives of this thesis explain how the aim of the study can be realised.

1. Evaluation of already identified non-financial dimensions of Organisational Health in relation to Firm Growth in published related literature.
2. Evaluation of already identified non-financial dimensions of Organisational Health in relation to the non-financial elements of Firm Growth in the Nigerian manufacturing SMEs.

1.6 RESEARCH QUESTIONS

1. What is the perception of the non-financial and hard factor dimensions of Organisational Health in the Nigerian manufacturing SMEs?
2. What is the influence of the non-financial soft and hard factor dimensions of Organisational Health on the non-financial elements of growth in the Nigerian manufacturing SMEs?

1.7 SCOPE OF STUDY AND BASIC METHODOLOGY

This study is interpretive and focuses on SMEs in the Niger Delta region of Nigeria. The focus on SMEs is due to the argument by Osalor (2011b) and Jaja (2009) who stated that SMEs play a more critical role than the purported large scale businesses in Nigerian economy. Furthermore, 95% of all employees in the Nigerian

labour market are in the SMEs as observed by Jaja (2009). Consequently, the SMEs have become key players in the Nigerian economy. This suggests that SMEs are the engines of growth that alleviate poverty by creating jobs and providing income for people.

Similar to the observation by Jaja (2009), the European Commission Report (2010) concluded, in respect of SMEs, that besides playing an important role in Spanish and European competitive economic development, they do same for the world economy because they account for 97% of businesses worldwide. This implies that most of the labour force is employed by SMEs and therefore they are responsible for the majority of the aggregate sales volume. SMEs are of vital importance due to the economic value they add and are essentially necessary for economic recovery (Eleni et al., 2011). Harvie and Lee (2010) contended that SMEs are strategically important for economic recovery because they help restructure industries. This is as a result of their being sources of competition for larger companies, promoting regional trade and contributing to technology transfer and regional development. SMEs foster market diversification, promote innovation and provide many employment opportunities in an economy (James et al., 2011). Consequently, it is believed that the SMEs constitute a priority area of the national economy and, therefore, a key area of interest for this study.

The National Micro Small and Medium Enterprises (MSME) Collaborative Survey 2010, made available the data of the number of SMEs in Nigeria as being 17,284,671, with total employment of 32,414,884 (Aganga, 2013). The National Bureau of Statistics (NBS) placed the total number of SMEs in Nigeria at over 17 million. Aluko (2013) similarly stated that the SMEs in Nigeria are about 17-20 million, representing over an 80 percent total number of enterprises, and 75 percent of Nigeria's total employment base, employing about 31 million Nigerians.

The Niger Delta Region of Nigeria is well known for its rich oil and non-oil reserve (Ahiauzu, 2010). A higher concentration of the SMEs lies in the Niger Delta region. Ahiauzu (2010) concluded that with the increasing demand for manufacturing energy worldwide, thriving SMEs' growth in the manufacturing industries in the Niger Delta region of Nigeria is foreseeable in the near future.

This study adopts an interpretive constructivist paradigm using a qualitative approach which believes that social phenomena are actually constructed by social actors. Consequently, a constructive ontological view

which believes that a new law is the product of the behaviour of the group of people it has impact on is adopted. However, this study does not generate a new law but, rather evaluates the perception of the phenomena in question in the Nigerian context. The constructivist paradigm is adopted because human interest is the main driver of this science.

Primary data is used with some additional secondary data. The data on perceived leadership, managerial capability, accountability and reporting structure in organisations is derived from human resources. The aim is to increase general understanding of these situations from the data gathered and so bring about an increase of knowledge around the subject. This approach is used to inductively and holistically understand human experiences in a context-specific setting using, for example case studies. Craswell (2002) postulated that qualitative approach requires clear knowledge about the phenomena under investigation. This is then tested in its wider context over time. It is evident that valuable information may be missed by relying only on objective reality. Based on the nature of the research questions, this research can be classified as exploratory research adopting a cross-sectional research design. This is because exploring the soft and hard factor dimensions of Organisational Health within organisations involves looking into the complexities of each of them (perceived leadership, managerial capability, accountability and reporting structure) as they affect employees and, ultimately, Firm Growth.

1.8 STRUCTURE OF THE STUDY

Chapter One provides a general background to this study, stating the research problem and the justification for the research. This chapter also contains the research aim,

objectives and questions. The key constructs of the study of Organisational Health, its non-financial soft and hard factor dimensions and non-financial elements of Growth are stated. Organisational Health is the independent (predictor) element of the study with its soft and hard factor dimensions while Firm Growth is the dependent (criterion) element. The soft factor dimensions of Organisational Health discussed include perceived leadership and managerial capability while the hard factor dimensions include accountability and reporting structure. The scope, methodology and significance of the study are also included in this chapter. The review of related literature in Chapter Two is contained within two sections. These are;

- Conceptualised Literature,
- Empirical Literature

Conceptualised Literature consists of a detailed definition and explanation of the key constructs of this study. These include Organisational Health, its soft and hard factor dimensions (perceived leadership, managerial capability, accountability and reporting structure) and Growth and its non-financial measures (survival and success). The detailed definition and explanation of the key constructs, in relation to other similar studies, constitute the Conceptualised Literature. Empirical Literature entails a systematic review of similar studies in other countries, Nigeria in particular. Similar studies are also empirically reviewed considering their respective methodologies.

Chapter Three focuses on research design, paradigms and methodology. The justification for the chosen research paradigms and methodology are also examined here. Chapter Four discusses and analyses the findings in appendix xi and finally Chapter Five sets out a conclusion and future recommendations.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.0 INTRODUCTION

Chapter One provided a general background for this study and included a statement of the problem to be considered, justification for the study, a research aim and objectives and the questions upon which the thesis will reflect. Also discussed are the scope and methodology of the study, its contribution and significance and finally an outline of the structure to be used.

This chapter consists of the Conceptualised Literature and the Empirical Literature. The Conceptualised Literature includes a general overview of SMEs in Nigeria, but places particular emphasis on SMEs found in the Niger Delta region. It also includes an extensive

definition and description of the key constructs of this study, including other relevant associated phenomena whilst the Empirical Literature is a systematic review of other studies undertaken in relation to this thesis.

Having a pictorial view of the two segments of this chapter will give a directional flow of sections and sub-sections. However there will be complexity in having the two segments of this literature review chapter and their respective sections/sub-sections in one diagrammatic representation. Consequently, the Conceptual Literature and Empirical Literature and all their sections and sub-sections are diagrammatically represented in Figures 2.1 and 2.2 respectively.

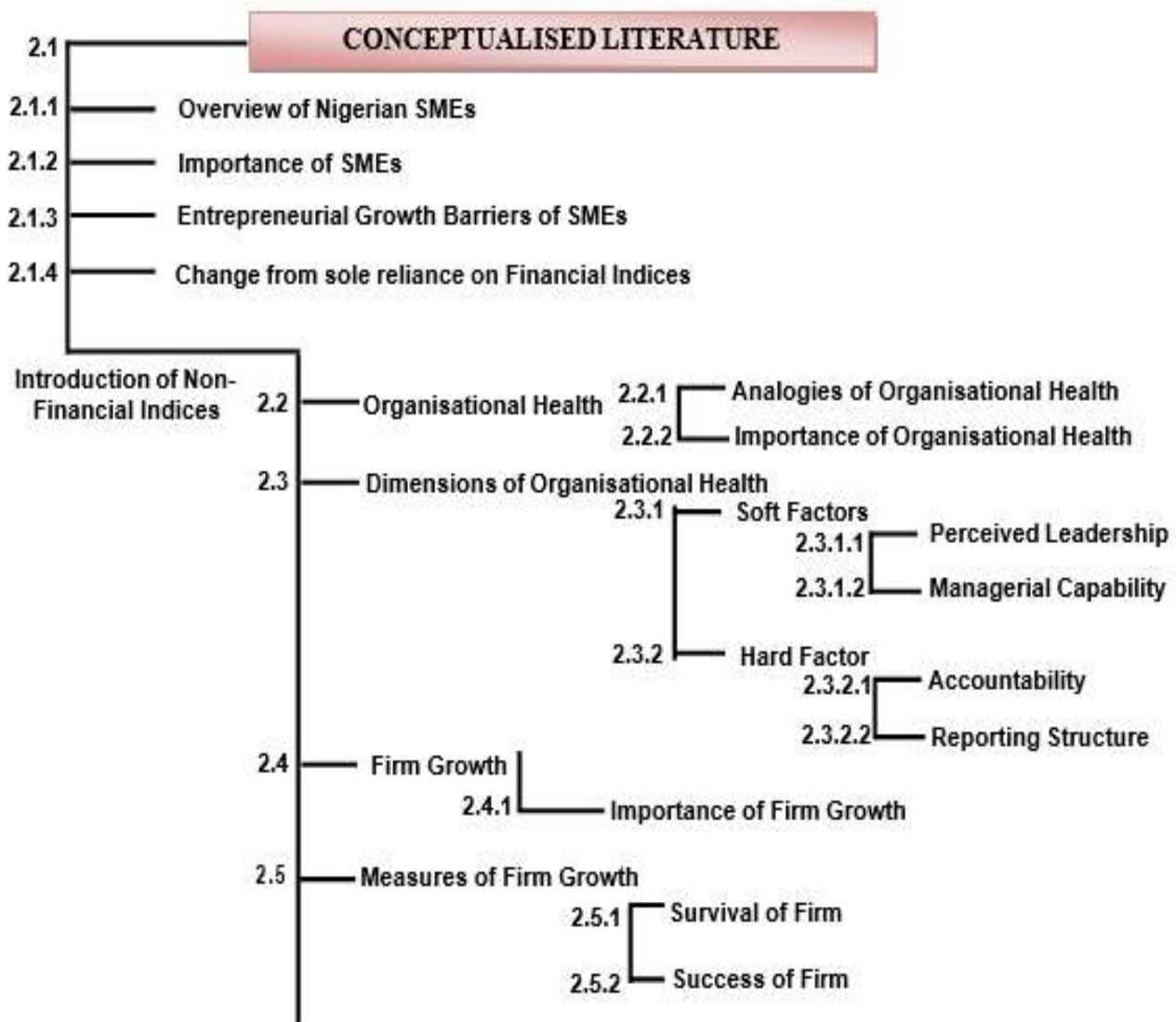


Figure 2.1 Diagrammatical Representation of the Conceptualized Literature and its Sections / Subsections



Figure 2.2 Diagrammatical Representation of the Empirical Literature and its Sections.

2.1 CONCEPTUALISED LITERATURE

2.1.1 Global view of SMEs

James et al. (2011) argued that SMEs have been known worldwide to be the engines of economic growth, contributors to employment generation, wealth creation, poverty alleviation and food security. With the current inclination of economic activities in Nigeria, and; in particular the Niger Delta, SMEs are undoubtedly recognised, by the government, private individual and developmental experts, as the main engine room for a nation's growth and development (Akinruwa et al., 2013). SMEs can summarily be referred to as the bedrock of the nation (Ariyo, 2009).

Garengo (2005) posited that SMEs play a significant role in sustainable socio-economic development of both developed and developing countries. According to the author, the SMEs contribute to GDP, create jobs, generate wealth, alleviate poverty, build capacity and uplift the welfare of people through provision of goods

and services including education. For several years in Nigeria, SMEs have created opportunities for job creation and empowerment of citizens (Aganga, 2013). Ikediashi (2007) asserted that SMEs in high, middle and low income countries, contribute 55 percent, over 70 percent, 60 percent Gross Domestic Product (GDP) respectively and 65 percent, 95 percent, and 70 percent of total employment respectively.

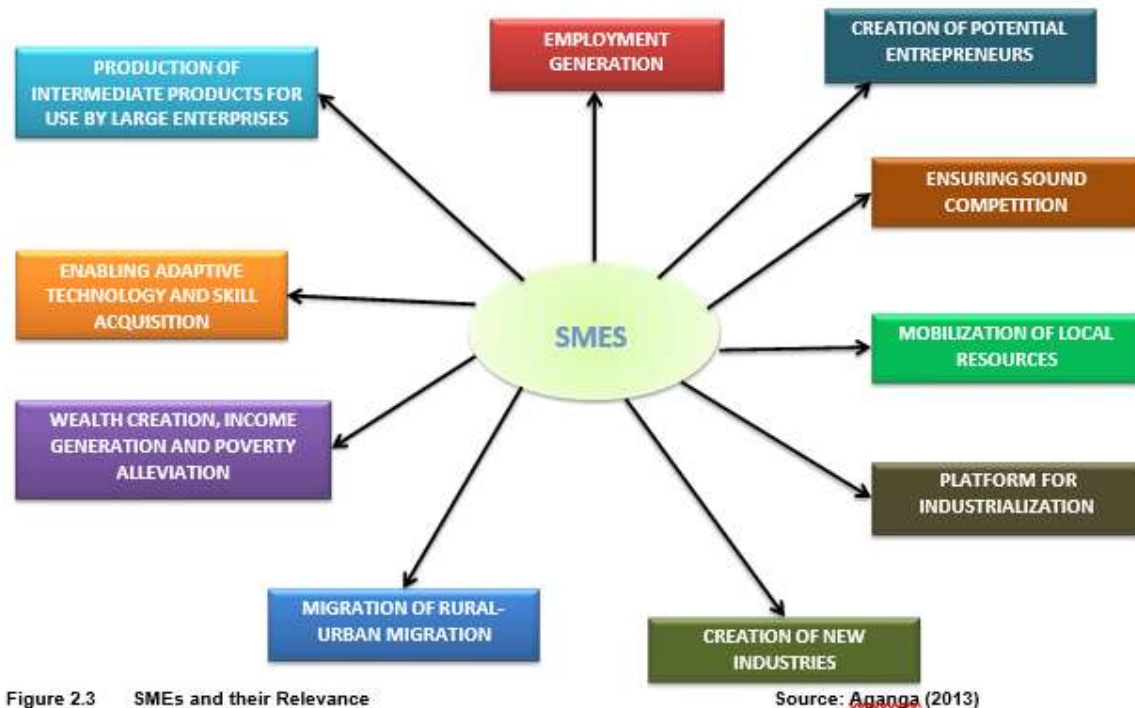
SMEs have gained recognition in the field of Management due to their strategic role in promoting a nation's economic activities and therefore, their contribution to the growth and development of any economy is obvious in both developed and developing economies (Onuoha, 2008). Another area of due recognition for SMEs in the developed nations is growth acceleration and, development and stability within several economies (Ihua, 2009). SMEs constitute the highest proportion of businesses all over the world. They significantly, and tremendously, play roles in generating employment, provision of goods and services, creation of

improved standard of living as well as immensely contributing to the GDPs of several countries (Arinaitwe, 2006).

Over the last few decades, the previously held views that SMEs were only miniature versions of larger companies have been relinquished (Ihua, 2009). This is due to the uniqueness of SMEs, in respect of the contributions of the different SME sectors, which foster the development of the largest economies in the world. The SMEs provide the platform for Nigeria to engage in the global competitiveness and prosperity required for elevation to an economically advanced nation (Aganga, 2013). In Nigeria, data from the Federal Bureau of Statistics reveal that 97 percent of the entire enterprises in the country are SMEs employing an average of 50 percent of the working population in addition to contributing up to 50 percent to

the countries' industrial output (Oluwakemi, 2014). SMEs therefore require support from all stakeholders in order to operate optimally and sustainably in this era of open markets, competition and global economic and financial crisis. The importance and relevance of SMEs are as depicted in Figure 2.4.

Nevertheless, considering the enormous potentials, the relevance of the SMEs, as depicted in Figure 2.4, and in acknowledgement of its immense contribution to sustainable economic development, its performance still falls below expectation in most developing countries (Akinruwa et al., 2013). This forms the basis for the next sub section on Entrepreneurial Growth Barriers of SMEs. Figure 2.4, on the relevance of SMEs, precede this sub-section.



Having discussed the global view of SMEs, it is pertinent to narrow the discussion to specific which is an overview of SMEs in Nigeria.

2.1.1 Overview of Nigerian SMEs

Oladele and Akeke (2010) described Enterprise as an organisation established for the purpose of providing goods and services that meet customers' needs. Anietie and Akpan (2012) similarly described an enterprise as an organisation where entrepreneurs with the totality of attributes needed, identify latent business opportunities and possess the capacity to organise needed resources to profitably take advantage of such opportunities in the

face of calculated risk and uncertainty. In Nigeria, these potentials could be fully harnessed for the benefit of the Niger Delta region in particular, and the country at large, if challenges are specifically identified and addressed (Murphy et al., 2006). Sole dependence on financial indices had been identified as one of these challenges by Jaja (2009), therefore non-financial indices will become the focus of this study on Organisational Health and Growth.

Akinruwa et al. (2013) asserted that globally, there is no unified consensus as regards a specific definition of SMEs. This assertion by Akinruwa et al. (2013) is consistent with the study from International Labour

Organisation (ILO, 2005) which indicates that over 50 definitions were identified in 75 countries (Rosli, 2011). It was discovered by Rosli (2011) that each definition was made to suit specific criterion of Enterprise and the stage of its industrial development of a particular country. However, the Federal Ministry of Industry, the custodian of SMEs gave a flexible definition of SMEs as being the values of installed fixed costs.

The Federal Ministry of Commerce and Industry, in the Nigerian context, define SMEs as firms with a total investment of N750, 000.00 including capital but excluding cost of land and 50 employees (Osamwonyi, 2010). Essien (2006) describes SMEs as firms absolutely owned by indigenous persons with less than 50 full time

employees. The Central Bank of Nigeria (CBN) defines SMEs as those enterprises with a turnover of up to N500, 000.00 (Akinruwa et al., 2013). SMEs, as defined by the National Council of Industries in Nigeria, refer to business enterprises whose total costs excluding land is less than two hundred million naira (N200,000,000.00) (Onugu,2005). Sen (2012) describes SMEs as enterprises with less than 200 employees. However, Jamil and Mohammed (2011) defined SMEs as enterprises that employ not more than 250 persons and work on a small scale. Delineating SMEs as Micro/Cottage, Small, Medium and Large Scale Industries, was agreed as a definition at the 13th council meeting of the National Council of Industries held in July, 2001, and are as tabulated in Table 2.1.

Table 2. 1Micro-, Small-, Medium-, and Large-Scale Enterprises Definitions for Nigeria (Tabular Summary)

S/N	Type ofEnterprise	Labour Size/Workers	Total Cost(including Working Capital and excluding Land)
1	Micro/Cottage	1-10	N1.5 million
2	Small-Scale	11-100	N50 million
3	Medium-Scale	101-300	N50-200 million
4	Large- Scale	>300	>N200 million

Source: Aluko (2013)

Considering the focus of this study on small and medium enterprises (SMEs), the definition of SMEs adopted in this study is centred on numbers 2 and 3 in Table 2.1 Micro-, Small-, Medium-, and Large-Scale Enterprises Definitions for Nigeria (Tabular Summary). This definition was adopted because similar studies (Aniete and Akpan, 2012 and Akinruwa, 2013) adopted same definition.

Ibrahim (2008) observed that there has been consistent upward review concerning the definition of SMEs in line with the movement in the exchange value of the nation's currency. Jasra et al. (2011) contended that despite the variance in definitions, there are some common attributes possessed by several definitions, which includes the number of employees and, assets or a combination of both number of employees and assets. This reveals that various bodies, organisations and nations have variously defined SMEs to suit their own specific needs.

The National Micro Small and Medium Enterprises (MSME) Collaborative Survey 2010, made available the data of the number of SMEs in Nigeria as being 17,284,671, with total employment of 32,414,884

(Aganga,2013). The National Bureau of Statistics (NBS) placed the total number of SMEs in Nigeria at over 17 million. Aluko (2013) similarly stated that the SMEs in Nigeria are about 17-20 million, representing over an 80 percent total number of enterprises, and 75 percent of Nigeria's total employment base, employing about 31 million Nigerians.

The Niger Delta region of Nigeria is richly endowed with natural resources, particularly Oil and Gas, and is strategically important to the economy of the country (Iheke et al., 2014). The Oil and Gas base of Nigeria generates over 90 percent of foreign exchange receipts, as well as over 80 percent of the nation's total revenue (Aganga, 2013). The constitution of the Federal Republic of Nigeria stipulates that the government owns Oil and Gas and the revenue derived from there not the owners of the land; be it individuals or communities (Iheke et al., 2014). However, Oil and Gas extraction has been the source of grave pollution and environmental degradation, which has led to a devastating effect on the economy and well-being of the people in and around the communities in the Niger Delta Region (Anieta et al., 2012). Abject poverty, lack of growth, long lasting conflicts between

the communities and government or communities and Oil Prospecting Companies, have been the consequences for these communities.

The following states make up the Niger Delta region of Nigeria; Abia, Akwa-Ibom, Bayelsa, Cross-River, Delta, Edo, Imo, Ondo and Rivers States (Anieta et al., 2012). The strategic importance of the region explains why it receives special development attention by all successive governments (Aluko, 2013). The Niger Delta has sector distribution of SMEs in the following areas; Agriculture, Manufacturing /Traditional Crafts, Tertiary Services/Mining and Construction, and Multiple Services as depicted in Appendix i Table 2.2., which shows the sector distribution of SMEs surveyed in the Niger Delta.

Referring to Table 2.2 in Appendix i, there is a hierarchical (according to percentages) sector distribution of SMEs in the Niger Delta. From the table, the Tertiary sector has the highest number of SMEs seconded by the Manufacturing sector. Despite the fact that Table 2.2 depicts Tertiary services as having the highest number of SMEs, studies by Patrizia et al. (2005), Aniete and Akpan (2012) and Akinruwa et al. (2013) focused on the Manufacturing sector. Therefore this study also focuses on the manufacturing sector. Akinruwa et al. (2013) in explaining the need to focus on manufacturing companies asserted that manufacturing companies are improving their technical and technological capabilities to meet market demands but with adoption of low formalised managerial practices. Consequently, the need for improved managerial practices is relevant. This is in line with the focus of this study on the non-financial indices of Organisational Health with managerial capabilities, among others, as one of its dimensions. Having had an overview of SMEs in Nigeria, and the Niger Delta, along with the justification of the use of manufacturing SMEs, it is pertinent to acknowledge the importance of SMEs.

2.1.2 Entrepreneurial Growth Barriers of SMEs

Despite the importance of SMEs, there are challenges to their growth in the Niger Delta (Anietie and Akpan, 2012). Sequel to the challenges faced by SMEs, Parsa et al. (2005) posited that many cease to exist within their first five years of existence; some go into extinction between the sixth and tenth year; thus only about 5 to 10 percent of SMEs survive, thrive and grow into maturity. Bamkole (2005) posited that the challenges encountered by SMEs in Nigeria can be called the 'MISFIT Factor' which stands for Market (M), Infrastructure (I), Support Service (S), Finance (F), Information (I) and, Technology (T). Onouha (2008) lent support to these identified factors with the inclusion of Educational Barriers and Ignorance.

Several factors have hindered the performance of SMEs leading to an increased rate of failure, especially in developing countries (Ihua, 2009). The factors include; unfavourable economic conditions, resulting from unstable government policies, gross undercapitalisation, inadequacies from highly dilapidated infrastructural facilities, very high operating costs, a lack of transparency and a high level of corruption. Parsa et al. (2005) observed that the issue of SMEs and their growth has been handled with levity in Nigeria.

In addition, several other features have been identified as the possible causes of the premature death of SMEs in the Niger Delta (Onugu, 2005). Onugu (2005), Anietie and Akpan (2012), identified several SME challenges in Nigeria, particularly in the Niger Delta, as enumerated in Table 2.3. The challenges in Table 2.3 are numerous and necessitates grouping similar challenges into categories, in order that a solution to one trickles down to

others within that category. The categories in Table 2.3 include funding, which are financial indices, management, infrastructural and technological issues which are all non-financial indices.

Table 2.3 Challenges of SMES in Nigeria

S/No	Challenges	Grouping
1	Little or no access to affordable finance leading to insufficient working capital.	Funding--Financial Indices
2	Lack of focus and inexperience	Management Issue; Non- Financial Indices
3	Inadequate market research and non-effective implementation of the National Policy on SMEs.	Management Issue; Non- Financial Indices

4	Over concentration on one or two markets for finished products	Management Issue; Non-Financial Indices
5	Lack of succession plan and business strategy.	Management Issue; Non- Financial Indices
6	Lack of proper book keeping and records.	Management Issue; Non- Financial Indices
7	Merging of business and family or personal finances rather than separating them.	Management Issue; Non- Financial Indices
8	Inability to distinguish between revenue and profit	Management Issue; Non- Financial Indices.
9	Inability to purchase the right plant and machinery.	Management Issue; Non- Financial Indices.
10	Employing the wrong calibre of staff. Non availability of qualified artisans (skill gap).	Management Issue; Non- Financial Indices.
11	Lack of planning and mismanagement of resources. Poor management of business operations due to lack of management skills and absence of a general ratingscheme.	Management Issue; Non- Financial Indices.
12	Lack of patronage of locally produced goods and services.	Management Issue; Non- Financial Indices.
13	Over concentration of decision making on one key person; usually the owner.	Management Issue; Non-Financial Indices.
14	Administrative barriers in doing business; multiple permits and fees required at the state and municipal level, often spontaneously.	Management Issue; Non- Financial Indices.
15	Infrastructural inadequacies (water, roads) leading to high cost of doing business.	Infrastructural issue.
16	Lack of work space, irregular power supply and obsolete technology leading to inability to compete globally.	Technological issue

Source: Modified from Onugu (2005) and Anietie and Akpan (2012)

Similar to the challenges identified by Onugu (2005) and Anietie and Akpan (2012), are those asserted by Eleni et al. (2011). In examining the crisis facing Spanish entrepreneurial SMEs, Eleni et al. (2011), identified some unique barriers, similar to that in Nigeria, which were classified as Internal and Structural Barriers, as shown in Table 2.4.

Table 2.4 Barriers to Growth of Entrepreneurial SMEs

Internal Factors		Structural Factors		
Human Resources(HR)	Product Commercialisation(PC)	Limitationsin Existing Infrastructures(LIEI)	Problematic Relationships with Administration (PRWA)	

Inadequate professional training.	Lack of loyal customers.	Transport infrastructures.	Bureaucratic complexity.	Difficult access to financing.
Lost values on the part of employees e.g. absenteeism	New competitors e.g. non-traditional competitors	Telecommunication infrastructures.	Lack of coordination.	Reduced sales.
			Lack of implementation and interest.	Reduced income.
			Excessive taxes.	Delinquent accounts.
			Excessive pressure from administration	

Source: Modified from Eleni et al. (2011)

As the information in Table 2.4 revealed, the Internal Factors are made up of Human Resources (HR) and Product Commercialisation (PC). The HR factor is comprised of inadequate professional training and loss of values on the part of employees; sometimes arising from high rate of absenteeism. The PC is also revealed by the large number of disloyal customers and the emergence of ever increasing new competitors; especially non-traditional competitors. The non-traditional competitors are those new entrants who originally are not practitioners in the area of business under reference. Similarly, the structural factors, drawn from the research evidence, are Limitations in Existing Infrastructures (LIEI) in the areas of transport and telecommunications. On the other hand, the structural factors also consist of Problematic Relationships with Administration (PRWA) as shown by; bureaucratic complexity, lack of coordination and

interest, imposition of excessive taxes and excessive pressures from public administrators, particularly politicians. (Abdullah et al., 2009).

Drawing from Table 2.3 and 2.4, the majority of the challenges encountered by SMEs in Nigeria are non-financial in nature. This may entail applying non-financial solutions to the non-financial challenges. This again reiterates the necessity of this study on Organisational Health and Growth and reinforces the focus for this study on non-financial indices rather than the financial-indices. The empirical research work by Adenuga (2004) indicates that finance contributes only 25 percent to the success of SMEs, among other determinant factors. To further justify the need to look at the non-financial indices in respect of the growth of SMEs, Table 2.5 shows the ranking of factors/impediments to the growth of SMEs.

Table 2.5 Ranking of Impediments to SME Growth in the Niger Delta Region

Factors	No. of Persons (Respondents)	Ranking
Finance	115	3
Environmental problems	112	5
Infrastructure	119	1
Management problem	117	2
Socio-Cultural factors	113	4

Source: Anietie and Akpan (2012)

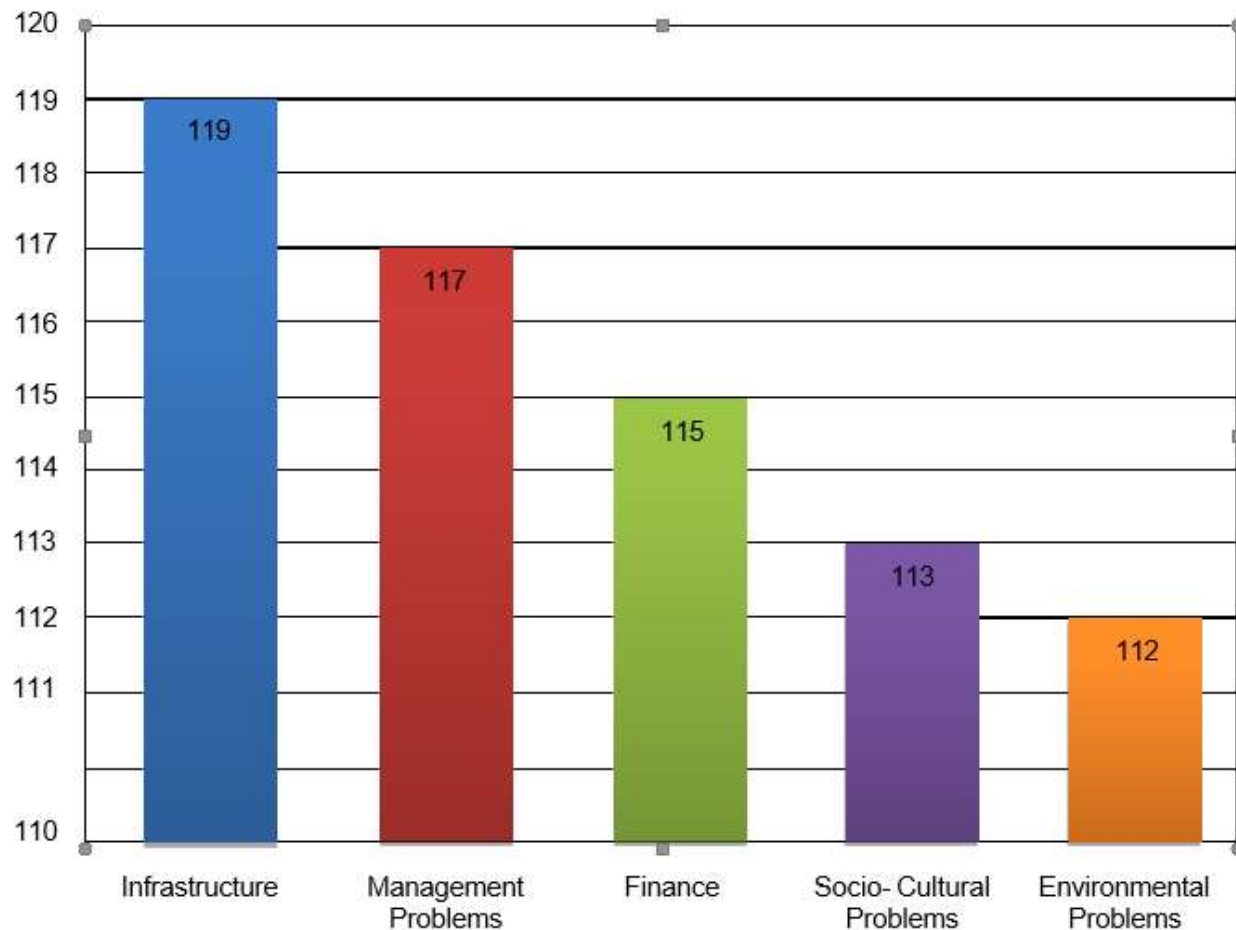


Figure 2.4 Pictorial Ranking of the Impediments to SME Growth in the Niger Delta Region.

Source: Aniete and Akpan (2012)

In proffering solutions to the foregoing challenges, Eleni et al. (2011) suggested that at the company level, entrepreneurial managers should be innovative, thereby adding value to the consumers through strategic planning alliances in the use of existing infrastructures. It was further recommended that at the institutional level, entrepreneurial managers should create professional training centres with appropriate infrastructures that support and promote promising sectors. This would include more channels of communication with commitment on the part of public administrators and financial institutions to encourage flexible processes

containing less bureaucracy and more coordination. These suggestions constitute what Baruch and Folger (2005) and also Britton (2009) have referred to as a network of perceived leadership, right managerial direction and capability and cultural values (soft factor dimensions of Organisational Health). The suggestions by Eleni et al. (2011) confirm what Baruch and Folger (2005) and Britton (2009) have described as

accountability, reporting structure and flexible coordination and control (hard factor dimensions of Organisational Health). The soft and hard factors are all non-financial indices which are dimensions of Organisational Health and are discussed in subsequent sections. Having justified the need to move from sole reliance on financial indices and to prioritise, with more emphasis towards the non-financial indices, it is pertinent to say, that the concept which will bring this into existence is change. The concept of Change, within this context, will be discussed in the next section.

2.1.3 Change from Sole Reliance on Financial Indices

In recent years, studies have highlighted the need for changes in managerial culture and the rationalisation of management systems to support the management of increasing complexities in manufacturing SMEs (Bernadi and Biazzo, 2003). It is pertinent to note that the problems identified with the sole use of financial indices as shown in the statement of the problem and justification for this study in chapter one necessitates the need for

change. This change brings about the use of non-financial indices, which forms the basis of this study on Organisational Health.

For organisations to move from the use of financial to non-financial indices as in Organisational Health, change is inevitable and required (Shawn et al., 2010). According to Shawn et al. (2010), the intensity of organisational change can range from the nominal to the radical. Mathew (2009) argued that change which is at the heart of an organisation's life is characterised by the constant incorporation of new entrants and modification of the intra organisational processes. Change implementation within an organisation can be conceptualised as an exercise in social influence defined as the alteration of an attitude or behaviour by one actor in response to the behaviour of another actor (Battilana and Casciaro, 2012). This definition strongly supports the idea that there is a need for Nigerian manufacturing firms to change their approach of solely relying on financial indices and to adopt the use of non-financial indices, such as Organisational Health, in response to other competitors. Change requires hard decisions but success awaits organisations willing to make those decisions to effect change (Augustine, 2013). In support of this idea, Ofeogbu and Akanbi (2012) emphasised the importance of strategic agility in relation to change. Strategic agility, according to Ofeogbu and Akanbi (2012) is referred to as the process of learning to make fast turns and be able to transform and renew the organisation without losing momentum. They further affirmed that this agility leads to organisations producing the right products and services at the right place, at the right time, at the right price and for the right customers. As a result, strategically agile manufacturing firms and organisations contribute immensely to the achievement of development goals and, subsequently, economic growth.

Keller and Price (2011a) discussed the importance and relevance of Organisational Health in achieving sustainable growth for companies amid a period of constant change. Their study revealed that focusing on managing performance, using only financial indices rather than Organisational Health, can lead to business failures. Accordingly, this demonstrates that reliance on the financial indices alone, in shaping the global economy, cannot sustain competitive advantage and, therefore, can be fatal to business, to the economy, to SME's. It was further argued that competitive advantage simply lies in managers managing the health of organisations as rigorously as they manage its performance. In other words, developing their ability to align, execute and renew the company faster than

competitors can sustain exceptional performance overtime. This entails managing Organisational Health with the same rigor and discipline as financial performance. There is a strong case for reporting Organisational Health annually in the same way as earnings and other financial measures (Ahiauzu 2010). According to the study by Ahaiuzu (2010), that would give a clear indication, not only of how well a company is doing now, but also of whether it is equipped to sustain and improve its performance in future. Having a long-term competitive advantage is important.

Ahiauzu (2010) and Shawn et al. (2010) recommended that firms should be proactive not reactive. This ensures prompt and effective management of the changes taking place within a complex business environment and so improves performance. Their study also, recommended that organisations, in implementing change, should include employees in the decision making process, ensuring a sense of belonging and a motivation to contribute to organisational performance.

Keller and Price (2011b) stated that only one third of successful companies retained their level of achievement over the long term. Their study revealed that organisations that welcomed and managed change were the ones to beat the odds and thrive. This supports the idea in this thesis that Organisational Health propels performance and that change needs to be embraced for continuous improvement. Organisations must determine their motivation, direction and timeline; in this way building upon their capacity to learn and managing their change over time.

Organisational Change is often an unrecognised area and few health promotion practitioners are likely to have the skills to facilitate Organisational Changes (Heward et al., 2007). The success of Organisational Change is highly dependent on leadership and, specifically, the exceptional performance overtime. This entails managing Organisational Health with the same rigor and discipline as financial performance. There is a strong case for reporting Organisational Health annually in the same way as earnings and other financial measures (Ahiauzu 2010). According to the study by Ahaiuzu (2010), that would give a clear indication, not only of how well a company is doing now, but also of whether it is equipped to sustain and improve its performance in future. Having a long-term competitive advantage is important.

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2.2 ORGANISATIONAL HEALTH

The concept of Organisational Health is a potentially insightful way to understand how organisations work and respond to the challenges they are confronted with in both internal and external environments (Benkhoff, 2007). An organisation can either be healthy or unhealthy. This implies that healthy organisations are not just those competing favourably and yielding results today but also those that are positioned for sustainable success and growth (Quick et al., 2007).

Organisational Health is an organisation's ability to attain and sustain competitive advantage so as to ultimately achieve superior performance and foster growth (Bonny, 2005). De Smet et al. (2010) postulated that Organisational Health is simply concerned with organisations having the properties and qualities today that will create the conditions for high performance and growth tomorrow. Organisational Health is the ability of an organisation to effectively function, being able to adequately cope, appropriately changing and growing from within (Chew and Chan, 2008). It is an organisation's ability to attain and achieve sustainability; that gives it a competitive advantage, for continual superior performance over competitors and growth (Bowen and Ostroff, 2009).

A healthy organisation is one in which the individuals and groups which comprise it reach homeostasis or equilibrium in their capacity for growth (Blasi and Douglas, 2006). In other words, a healthy organisation typically has a culture that promotes trust, openness and Organisational Citizenship Behaviour (OCB). This enables continuous learning and improvement, with everyone pulling in the same direction to achieve organisational goals. In practical terms, the health of an organisation is characterised by a combination of the current state of organisational performance and its risk factors in relation to an expected better future performance. Within this framework of current and future health are the dimensions of Organisational Health, which include the soft factors of; perceived leadership and, managerial capability and the hard factors which are; accountability and reporting structure.

Organisational Health according to Stanford (2011), is an important and fairly extensively studied topic in its own right. According to Stanford (2011), Organisational Health is the ability of an organisation to align, execute and renew itself faster than its competition to sustain exceptional performance over time. It comprises core organisational skills and capabilities, such as leadership, co-ordination or external orientation that the traditional indices do not capture (Keller and Price, 2011b). This implies that these organisations should have a competitive advantage over competitors and that their sustained exceptional performance should be on a long and not short term basis. The organisational skills and capabilities as stated by Keller and Price (2011a) are dimensions of Organisational Health. Organisational Health is different from performance because, as it is evidenced by the organisations to stakeholders in financial and operational terms, performance is evaluated through measures as net operating profit, return on capital employed, total returns to shareholders, net operating costs and stock turns (Amis et al., 2004; Keller and Price, 2011a).

Ahiau (2010) further defines Organisational Health as the capacity of an organisation to compete, not only today, but tomorrow. It is also described as having three distinct elements which are defined in Table 2.6. These are;

- Organisational Alignment
- Capacity for Execution
- Capacity for Renewal

This buttresses the fact that Organisational Health is long term with a focus involving collective efforts, not just in the planning process but in implementation, above that of competitors.

Table 2.6.Elements of Organisational Health

S/No	nts	tion
1	Organisational Alignment	This attempts to know where the organisation is going, if it has a vision, if the people within the organisation are aligned with the organisational direction.
2	Capacity for Execution	This is the ability to turn ideas into action. It explains how much interference and complexity exists in a company, showing the company's metabolic rate.
3	Capacity for Renewal	This reveals if the organisation is changing at or just above the rate at which it has changed in the past and if the organisation is really focusing on changing at the rate required by the industry.

Source: Modified from Ahiauzu (2010)

Organisational Health cannot be actualised without reference to employees and their wellbeing. According to the Health Work Wellness Group (2012), the support for the mental, physical, emotional, spiritual and social well-being of employees is actualised by a healthy organisation which is regarded by employees as “great” or “exceptional”. The group contended that in the face of rapidly changing technology and 24/7 work stress, Organisational Health becomes even more crucial to business success. Distracted, unfocused and unproductive employees will not provide the creativity, innovation and loyalty organisations need to get ahead and stay there. It is not enough to concentrate on financial performance at the expense of employee well-being (Jaja, 2009).

According to Pauline (2005), leaders and managers sometimes mismanage the endemic un- wellness affecting organisations' behaviour. This endemic organisational un-wellness may be reflected in work related stress which produces a range of symptoms and negative outcomes for individuals and organisations. Hillier et al. (2005) identified coronary heart disease; mental illness; poor health behaviours, such as smoking and drinking, and careless unsafe behaviours at work as individual symptoms. Organisational symptoms include high labour turnover, industrial relations difficulties, high rate of absenteeism, poor quality control, low productivity and, little or no competitive advantage over competitors. Putnam (2000), therefore argued that economic and social sustainability cannot be achieved by technology, science and financial indices alone and suggested that attention be given to human needs and differences. To confirm this, Wilkinson (2001) stated that there is now recognition of Organisational Health which entails human factors as being critical to understanding the quality of Organisational life and growth.

Furthermore, Alman (2010) argued that Organisational Health refers to a firm's ability to achieve its goals based on an environmental assessment that seeks to improve firm performance and support employee wellbeing. The evidences of a healthy organisation are seen in all these aspects, people, process, structure, systems, behaviours and governance; where appropriate adaptive maintenance and development activities are integral to maintaining performance and alignment in the operating environment (Stanford, 2011).

Organisational Health as a concept has several definitions by several authors as shown in this study. However this study adopts the definitions by Ahiauzu (2010), Stanford (2011) and Keller and Price (2011b). Ahiauzu (2010) defines Organisational Health as the capacity of an organisation to compete, not only today, but tomorrow. Implementation of the non- financial indices of Organisational Health will ensure sustainability of organisations' competitive advantage. According to Stanford (2011), Organisational Health is the ability of an organisation to align, execute and renew itself faster than its competition to sustain exceptional performance over time. Again to actualise this alignment, execution and renewal of organisations, the non-financial indices are apt. Keller and Price (2011b) argued that Organisational Health comprises core organisational skills and capabilities, such as leadership, co-ordination or external orientation that the traditional financial indices do not capture. This implies that these organisations should have a competitive advantage over competitors and that their sustained exceptional performance should be on a long and not short term basis. The organisational skills and capabilities as stated by Keller and Price (2011b) are the non-financial dimensions of Organisational Health. These definitions were adopted because they focus on areas

different from the practice in SMEs in Nigeria. In the Nigerian context, SMEs do not sustain competitive advantage. SMEs strive on a short term basis and focus more on financial indices.

Referring to the above definitions of Organisational Health, this thesis which is an interpretive constructivist study, explores these non-financial indices in Organisational Health from the Nigerian perspective, in

order to realise areas of deviance and therefore contribute a new perspective to existing knowledge.

In the pursuit of Organisational Health, certain human resource tools, which improve employees' job satisfaction, performance and ultimately growth, exist (Okurame, 2009). These human resource tools include work attitudes, mentoring and communication (Okurame, 2009), as depicted in Figure 2.6.

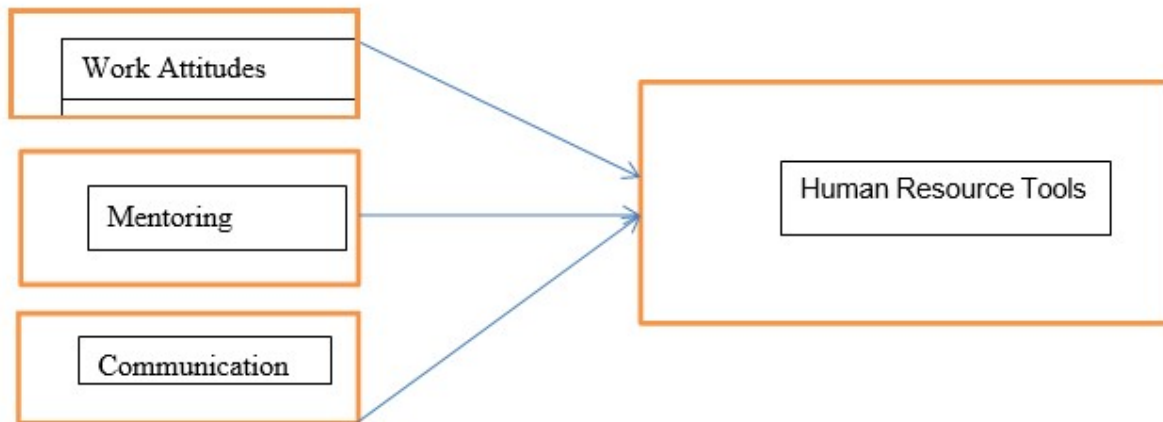


Figure 2.5 Human Resource Tools Needed for the Pursuit of Organisational Health

Work Attitudes

Work attitudes are a widely studied human resource variable that attracts the attention of researchers because of the important practical implications it has on organisational activities and assigned roles in organisations (Okurame, 2009). Obviously, the concern of any organisation that wants to remain competitive should be to foster positive attitudes that will lay the foundation for high performance and growth. According to George and Jones (1996), positive attitudes toward work cause employees to be more willing to put in extra effort to meet deadlines and improve the standard of performance. On the other hand, negative attitudes result in low levels of output, the tendency to avoid work, absenteeism and sometimes the desire to resign, all of which will adversely affect Organisational Health.

Ellickson (2002) stated that the importance of examining work attitudes of employees is crucial because peoples' attitudes are dynamic and the environment in which they operate is not static but also dynamic. Organisations should therefore monitor employees' attitudes to ensure Organisational Effectiveness and Health. Steijin (2004) argued that the benefits of this practice would accrue to employers, employees and stakeholders. The stakeholders will gain from the effective implementation of organisational policies and its intended returns, the

employers will gain from committed employees, who will exhibit positive work attitudes that will boost performance, and in turn growth, while the employees will gain from doing a satisfying job and receiving due compensations accordingly. Job satisfaction is an attitude that is based on a worker's positive or negative perception of the job and/or work environment (Pool, 1997). According to Stejin (2004), one of the benefits of positive work attitude is commitment on the part of employees.

Organisational Commitment is an attitude that fosters emotional attachment and feelings to be obligated to an organisation (Shore et al., 1995). Emotional attachment to an organisation, as suggested by Shore et al. (1995), is positively correlated with job performance, employee potential and productivity. Research findings by Aniftos (2002) reveal that Organisational Commitment and job satisfaction are crucial to attitudinal dispositions that lead to better customer satisfaction and actualisation of organisational goals. Individuals who gain satisfaction from their work become satisfied with life and do well in complex and autonomous tasks (Bono and Patton, 2001).

Mentoring

The second human resource tool, useful in the pursuit of Organisational Health, is mentoring, as indicated in Figure 2.6. Mentoring has been identified to be an

effective strategy to promote a positive work attitude in organisations (Hill and Bahnink, 2000). Mentoring, as described by Geroy and Griego (1999), is a potent human resource management tool that improves job satisfaction and employee performance. The basis for the acclaimed benefits of mentoring is hinged on the developmental social learning theory which states that behaviour is learned through interaction with others, especially when they serve as role models; in other words mentors (Baldwin, 1992). In the investigation of work attitude, the Social approach states that the social context of work, which includes relationships with superiors and subordinates, has a significant impact on workers' attitudes and behaviours (Mark, 1994; Devaney and Chen, 2003). In the view of Sousa-poza (2000), empirical information suggests that the better the relationship between employers and employees, and employees and employees, the greater the level of job satisfaction.

In the Nigerian work environment, evidence of formal mentoring programmes is insignificant or virtually absent (Okurame, 2009). It seems that mentoring occurrence is entirely informal. Okurame (2009) further posited that this type of informal mentoring relationship necessarily thrives because the work setting is interpersonally flexible. Sharing a similar view, Dancer (2003) revealed that mentoring is foremost an interpersonal relationship that develops from common admiration, aspiration, values and interests. Besides, mentoring is a voluntary and conscious relationship where the mentor works in the same organisation with the mentee. Studies reveal that, traditionally, mentoring relationships occur informally in organisations and are more beneficial than formal mentoring in organisations (Appelbaum et al., 1994). Mentors are experienced and trusted guides, advisers that make expertise available for the acquisition of skills by mentees (Stephen, 1996).

Mentoring is especially valuable for the transmission of information on the mission and philosophy of the organisation, creating a suitable environment for the employees to cope with career stress, receive proper orientation towards workplace values and skills that can be applied in diverse professional and personal circumstances (Payne, 2006). Mentoring reduces staff turnover because it increases affective commitment to an organisation, improves relationships, career growth, pay, fringe benefits and promotions and in turn, fosters Organisational Health and ultimately Growth (Wright, 2004; Winter, 2009).

Communication

The third human resource tool in the pursuit of

Organisational Health, as depicted in Figure

2.6 is communication. As stated by Thoge and Comelisse, (2011), communication is one of the human resource tools within Organisational Health that emphasises the importance of information channels, which incorporate distinct lines of accountability and responsibility and their roles in ensuring effectiveness, efficiency, output and in turn growth. Studies, as revealed by Miller (2005), have identified communication as a multi transactional process, incorporating reverberating feedback and interactive processes between two or more persons within a multi-faceted environment. Communication processes can, therefore, be seen as part of social glue facilitating desired functioning of organisations. Braithwaite et al. (2010) revealed that most organisations often fail to consider the role of communication in the context of specific team structures, processes and outcomes. To buttress this, Gorman et al. (2003), posited that communication failures, challenges and misalignments are widely seen to be the central reason for poor Organisational Health today.

Moreover, Davidson (2000) argued that understanding the dynamics of these failures and their complex hierarchical connectivity, social roles and Organisational Structure will ameliorate the challenges to a reasonable extent. Other studies have described organisations as fixed entities through which information is transmitted and communicated to internal or external recipients (Ascraft, 2009). Communication processes are, therefore, an essential part of the process of establishing and maintaining ongoing interconnected behaviours that constitute the organisation as a whole.

Due to the importance of communication in respect of Organisational Health, Litthiroji (2006) suggested that managers should increase the number of communication channels, especially for a two way communication. According to the study, this initiates opportunities for supervisors and subordinates to discuss and exchange ideas, build up a mutual understanding between the parties and hence reduce the problems that may arise from lack of effective communication. On the part of employees, Beer (2003) suggested that an enabling environment should be created for them to easily access executives in order to create trust and a comfortable atmosphere conducive for discussion. Furthermore, frequent meetings and seminars should be held to listen to employees' opinion on issues. Sharing a parallel view, Welch (2012) argued that to achieve organisational effectiveness internal communication is necessary. This fosters positive internal relationships by enabling

communication between managers and employees. Quirke (2008) suggests that communication is vital to the survival and success of organisations and, therefore, provides strategic advantage by aligning employee efforts to organisational goals, sharing their knowledge and engaging their passion.

Truss et al. (2006) asserted that such engagement is of great necessity because it gives employees opportunities to communicate their views to more senior staff; it keeps them well informed of what is happening in the organisation they work in; and enables them to see managers as being committed to the organisation. This motivates the employees to be committed as well. Macleod and Clark (2009) therefore argued that staff engagement and participation should be propelled by good internal communication because poor internal communication results in disengagement.

Pophal (2009) highlights the importance of drawing up a formal internal communication plan and objectives in the organisation, against which the success of these plans can be measured. Also discussed are the steps involved in the development of an effective internal communication plan. Quirke (2008) also advocates the use of communication plans and suggests that organisations should give priority to them on their agenda to ensure that they are effective and consistent, ensuring that employees do not become disengaged in the process. In a review of internal communication processes, Ruck and Welch (2012) discovered that most processes have been devised to suit employers rather than employees, whose satisfaction or dissatisfaction with the organisation's communication

processes is usually ignored. These findings, therefore, suggest that assessment of internal communication systems should address the needs and values of employees as well as the employer's organisational objectives (Macleod and Clark, 2009). When the needs and values of employees are taken into consideration, they will be involved in the communication process and, therefore, have a sense of belonging. This will positively influence their performance and ultimately, Firm Growth, which is the dependent element of this study.

It is pertinent to remind ourselves that the human resource tools that have just been discussed (Work Attitudes, Mentoring and Communication) are essential tools in the actualisation of Organisational Health, which are non-financial indices and the central focus of this study. As already discussed, the effective use of the tools will enhance Organisational Health to achieve desired Firm Growth. Due to the importance of the human resource tools, Litthiroji (2006) suggested that managers should endeavour to make effective and efficient use of the tools in order to sustain competitive advantage.

Aside from the human resource tools within, Organisational Health, this thesis now goes on to consider its soft and hard factor dimensions. The soft factor dimensions are perceived leadership and managerial capability, while the hard factor dimensions are accountability and reporting structure. These concepts are discussed in the Conceptual Literature of this study and preceding the analogies, importance and dimensions of Organisational Health is an updated Conceptual Model of Organisational Internal Communication in Figure 2.7.

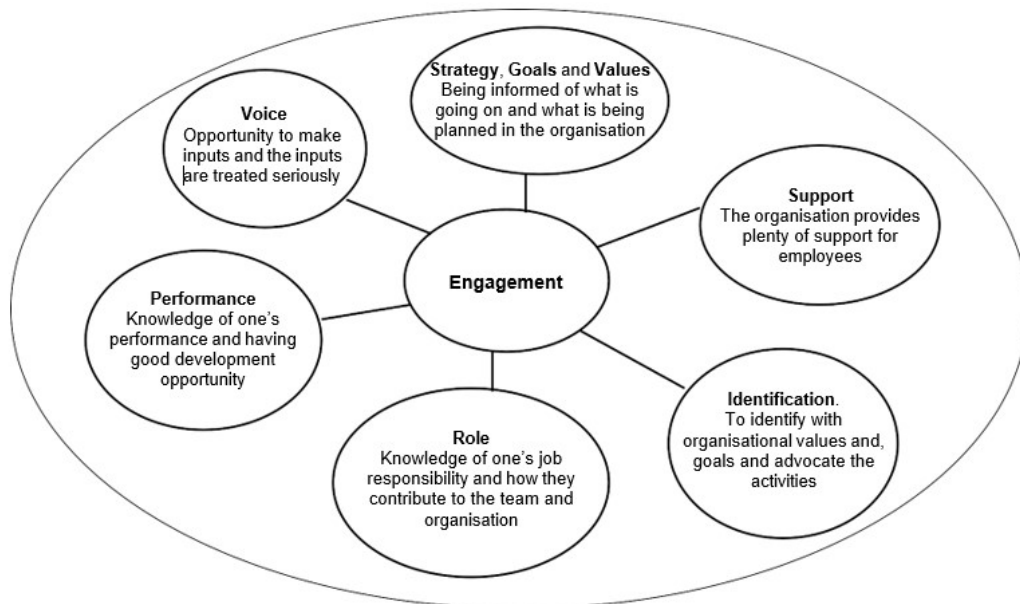


Figure 2.6 Conceptual Model of Organisational Internal Communication
Source: Modified from Ruck and Welch (2012).

In the pursuit of Organisational Health, there are other definitions that depict the identification and use of practices. The successful utilisation of circumstantial practices, identifying the essential elements that should be dynamically aligned to allow Organisational Success in the long-term, connotes Organisational Health (De Biazi, 2012). Mbachu (2011) argued that the strategic health of an organisation depends on how the key strengths are leveraged, exploiting prime opportunities while at the same time minimising exposure to the critical weaknesses and serious threats in the external environment.

For the purpose of clarity, there have been several other definitions describing Organisational Health in terms of attributes and characteristics. Various definitions and characteristics have been revealed, as are subsequently discussed. Organisational Health is an organisation's ability to function effectively, cope adequately, and change appropriately to grow from within (Organisational Health Development and Diagnostic Corporation, 2011). Organisational Health, like personal health, may vary from a minimal to a maximum level. This describes the manner in which jobs must be done for organisations to maintain their health. To achieve this, there must be set objectives that must be achieved at a given time with minimal resources.

Organisational Health can also be described from the perspective of the employees' attitude to work (Lyden and Klingele 2001). According to Lyden and

Klingele(2001), a healthy organisation is one where people like to come to work and the employees are proud to be part of the organisation. Employees that are ill motivated, dissatisfied and unhappy with their jobs will find coming to work difficult. And a high rate of absenteeism, lateness to work and complacency will be the order of the day. This will definitely affect the health of the organisation. For a healthy organisation, the reverse will be the case. A healthy organisation is the combination and co-ordination of people and practices that produce exceptional performance (Anthony and Edwin, 2005).

Anthony and Edwin (2005) further contended that health is a state of physical, mental and social well-being and not merely the absence of disease in the human body. In this study, an application was made in relation to the organisation stating that the health of an organisation lies in its body, mind and spirit. The structure and organisational design depict the body while the underlying beliefs, goals, policies and procedures depict the mind. Furthermore, the implementation of policies, conflict resolutions, change management, employee welfare and organisational learning, all depict the mind. The spirit is the core or heart of an organisation; what makes it vibrant and gives it vigour. Healthy Organisations are characterised by eight attributes (Beckhard and Rueben (1977) in Lyden and Klingele, 2001), four features (Anthony and Edwin, 2005) and three core capacities (Harman, 2011) as shown in Tables 2.7, 2.8 and 2.9 respectively.

Table 2.7 Characteristics of Organisation

S/No	Characteristics
1	A strong sense of purpose
2	Keeping communication open
3	Congruent reward system
4	High tolerance for innovation and creativity.
5	Identification and management of change
6	Making decisions closest to the customer.
7	Using team management.
8	Driving management through information

Source: Modified from Beckhard and Rueben (1977) in Lyden and Klingele (2001)

Table 2.8 Features of Organisation

S/No	Features
1	Unity of purpose (strong culture)
2	Responsive components.
3	Reaction to environment
4	Interrelationships on individual, team and organisational levels.

Source: Modified from Anthony and Edwin (2005) Table 2.9 Core Capacities of Organisation

S/No	Capacities
1	The ability to renew.
2	The ability to get deep alignment around purpose
3	The ability to execute

Source: Modified from Harman (2011)

There is connectivity between the characteristics, features and core capacities as shown in Tables 2.7, 2.8 and 2.9. The first characteristic of having a strong sense of purpose will require unity of purpose among employees. This will foster an ability to renew aims and objectives. When communication is kept open and disseminated among employees, there will be feedback which will establish an alignment around the organisational purpose (Gabe and Kraybill, 2002). With a congruent reward system in place, there will be reactions on the part of employees to foster environmental changes; hence the ability to implement changes will be encouraged. In such an organisation, innovation and creativity will be high, with good interrelationship among individuals at all levels. In enhancing innovation and creativity, changes can be identified and managed and decisions made for the growth of the organisation (David, 2006).

Organisational Health can also be likened to human health, as posited by (Bottazzi et al., 2002), and this will be discussed in the subsequent sub section as Analogies of Organisational Health along with The Importance of Organisational Health and The Dimensions of Organisational Health.

2.2.1 Analogies of Organisational Health

There are analogical similarities between Human Health and Organisational Health. As with Human Health, Organisational Health is a moving target; sometimes organisations are healthy, at other times they are

unhealthy. The degree of health or ill-health affects performance and invariably growth (Sorensen et al., 2000). The concept of human health is used as an analogy of Organisational Health. Generally speaking, patterns and insights from anatomy and physiology are useful in thinking about organisational design, development, management and growth. The human body, its anatomy and physiology, how it is structured, how it functions and then what it takes for it to work optimally, provides a striking analogy to that of a successful organisation (Pocock and Richard, (2006) in Stanford, 2011).

Considering a definition of physiology illustrates this. Physiology is the study of the functions of a living matter. It is concerned with how an organism performs its varied activities, how it feeds, moves, adapts to changing circumstances and spawns new generations (Pocock and Richard, (2006) in Stanford, 2011). It is easy to change a few words and get an organisational apt parallel definition. Organisational physiology (coined term) is the study of the function of an organisation; concerned with how the organisation performs its varied activities, how it learns, competes in its environment, adapts to changing circumstances and sustains growth.

Bottazzi et al. (2002) identified some similarities between an organisation and human body as shown in the Appendix (see Appendix ii). Geroski (2001) further reiterated that the demonstration of the analogy of an organisation to a human being is useful to organisational employees, leaders and managers. Leaders in more

successful organisations monitor their organisation's health in the same way that people have regular physical check-ups. They take actions to keep the organisation healthy, as with preventive health when symptoms of ill health appear, they diagnose and treat the causes and not just the symptoms.

In the view of Norfolk (2007), the operations of the heart, mind and body are separate, each having a distinct sphere of operation. The heart gives life to the body while the mind deals with reasoning and understanding. The body deals with sensations and passions facilitating the operations of the mind. Likened to this are the different organisational levels within a business namely the Strategic, Tactical and Operational (Baer et al., 2003). All the levels, though integrated holistically in one organisation and striving to achieve one and the same organisational goals, have distinct sphere of operations and functions. Barrett and Connell (2011) asserted that the strategic (high) level is the apex level that takes strategic management decisions. The tactical level is the middle level which facilitates implementation, disseminates strategic decisions and supervises the operational level. The operational level is the lower level involved in the implementation and operation of strategic decisions taken.

There are many appropriate analogies between physical body health and Organisational Health. Walking off weight is a way of keeping the body in good health (Sariner, 2011). Similarly, Christine and Soo (2007) suggested that, for organisations to remain in health and foster growth, they should minimise, where total eradication is not possible, all impediments to Organisational Health and ultimately Growth. There is coherence between the brain and other parts of the body enabling change of body movements as a result of meditation (Chaturvedi, 2008). Similarly all departments in an organisation are inter-related and work coherently to change structures from existing ones to best suitable ones, strategically establishing organisational goals and working towards actualisation of those goals (Ozer et al., 2010). People can be tense, allowing depression to set in. When organisational growth begins to dwindle, it sets in untold pressure, tension and depression in the management (Barling et al., 2009). In the face of such negative experiences, management has to be calm, to seek alternative lines of action.

Habits are formed by repetition of actions, which is the key ingredient; after a series of repetitions, the action sticks to the mind (Harp, 2010). Alternatively, the destructive pattern is the path of least resistance.

Organisational management may be conscious of this fact because they have sensations, they can see and hear or be ignorant of negative happenings just as humans can either be conscious or unconscious (Ignatius, 2012). Aluko (2004) contended that the SMEs in Nigeria have relied upon the old traditional use of financial indices alone, which has not yielded significant growth overtime. The author therefore suggests that since repeated use of financial indices have not positively impacted on growth, that habit of sole reliance on financial indices should be disrupted and non-financial indices introduced and given the chance to prove their influence on positive growth.

Studies prove that intelligence can be enhanced with study and concentration as a result of the brain's power (Noder, 2008). In this fast moving world, organisations have to be quick witted just as it is the fleetest of mind that progress. Gantam (2006) argued that to be forewarned is to be forearmed and therefore, the ability of SMEs to look and think ahead requires great talent that should be sought after. There are daily events which demand fast decision making, the speed of which will either make or mar the organisation. Like an ailing individual, Nigerian SMEs are experiencing an unprecedented obsession with growth (Vodak, 2008). This is evidenced by staggering growth. Developing healthy habits in organisations is similar to the process in humans with the aim of slowing down the ageing process, which is inevitable both in humans and organisations (Kurien, 2007).

Handa (2008) described ageing as the process of growing old marked by signs and changes in external appearance as well as internal functioning of the body parts. The author then suggested that for humans to look young with the passage of time there is need to achieve self-grooming, have thorough knowledge of the working of the human body, its major systems and explore specific structures (anatomy) and functions (physiology). The workings of organisations that have existed over time can be likened to that of humans as described by Chew and Chan (2008). The authors suggested that management should have an integral knowledge of the organisation as a whole, the different parts making up the organisation and their respective functions, understanding their inter-relatedness and how one function affects the other. The different departments should be harmonised and early warning signals detected promptly. Stress, to an extent, is good since it keeps one alert to discern its causes, motivating and triggering necessary actions (Snowdon, 2007). Similarly, when organisational activities are not going as planned, it causes stress in the system that propels management to take necessary actions (Arnet and

Orbert, 2005).

Planning for good health involves continuing education about the prevailing diseases in humans, getting acquainted with the remedies, which involves asking questions on identification of symptoms and on what, how and when to do the needful (Kahn, 2011). Sharing a parallel view, Den-hentog et al. (2004) suggested that organisations should train employees to be vast in their knowledge base, be quick to identify symptoms of deficiencies, ask questions on what and how to do the needful to ameliorate adverse situations that will negatively influence organisational growth.

Kurein (2007) described the master motion of existence as being the process where everything in the universe, from the simplest known particle to the most complex of conceivable life forms, is simultaneously a whole in its own right and a mere part of something larger, wider, more encompassing and whole. To understand the whole, there is need to understand the parts, and to understand the parts, there is also need to understand the whole. The author further described this as the hermeneutic circle of understanding.

Parallel to this, the relative wholeness and simultaneous parts of everything can also be seen in organisations made up of several hierarchical levels and departments. Steers (2007) posited that to understand the organisation holistically, the different segments of the organisation should be understood and to understand the individual segments, the whole organisation should also be understood. This includes understanding the functional roles as this will aid in preventing, or temporarily protracting, the decrease in capabilities, decelerate drop in productivity and thus maintain an optimistic and pleasurable state of health desired for ultimate optimal growth (Wood, 2005). When two or more independent insights are fused together, a new philosophy is born (Ignatius, 2012). Employers and employees should work together as a team, to bring insights and individual knowledge together that will yield new philosophies, to foster Organisational Growth (Tan and Nasurdin, 2011).

Harp (2010) postulated that human diseases have addictive, short and long-term remedies but there is no substitute for a long-term remedy since it brings a lasting solution. Similarly, organisations should seek long-term competitive advantages, rather than short-term which will not stand the existing global competitions (Amabile, 2008). Natural beauty and health is an asset to human body which can be achieved only with a perfect holistic

approach to health (Chaturvedi, 2008). The author contends that beauty without balanced health is an incomplete beauty and health without natural beauty is an incomplete state. Similarly, beautiful premises, effective and efficient resources (financial, human) and Organisational Health are assets to organisations. The existence of premises and resources without Organisational Health, is incomplete, and vice versa.

Similarly, Rahman (2004), Baruch and Folger (2005) and Britton (2009) suggested the dimensions of Organisational Health (perceived leadership, managerial capability, accountability and reporting structure) as non-financial indices to adopt to maintain good health and therefore foster Firm Growth. Organisations should, therefore, work towards wholeness and health, knowing and accepting their present state of health and taking adequate measures to improve it.

According to Robbins and Judge (2011), freedom from negative and pessimistic thoughts will be useful in attaining Organisational Health. Health is in the hands of individuals (Vora, 2010); health is in the hands of organisations, hence instant diagnosis and remedy of ailing situations is apt (Salami et al., 2010). In considering the health of an individual, cognisance is taken of the internal and external organs (Weyer, 2007). Similarly, organisations have both internal and external environments with factors constituting these environments, which must be taken into consideration in dealing with organisational health challenges (Harrison and Leitch, 2005).

In maintaining human health, there are certain things that should be avoided as suggested by Handa (2008). Similarly organisations must avoid certain activities, for example sole dependence on financial indices alone, to sustain competitive advantage and achieve Organisational Health, which will in turn foster Firm Growth (Benson and Brown, 2010). Harman (2011) observed that Organisational Health is very important and this is discussed in the subsequent sub section.

2.2.2 Importance of Organisational Health

The growth of organisations is enhanced if, in addition to a focus on performance, they have a long-term, sustained, deep and authentic focus on building the underlying health of the organisation (Harman, 2011). In addition, it is not a 'nice to have', it is not an optional extra; it is recommended. Without a focus on health, performance does not occur (Jaja, 2009). Similarly, these remarks could equally apply to the field of personal health. It's not a 'nice to have' but an essential if one is to

live a fully functional life.

Keller and Price (2011b) argued that competitive advantage today does not go to the company with the best widget, but goes to the organisation that can reinvent itself and defend itself from attackers, wherever they may come from. It is impossible to get a defendable, sustainable advantage unless there is rapid adaptation to factors that will drive sustainable growth; in other words Organisational Health (Amstrong, 2009). That is why having a healthy organisation is more important now than it has ever been. To achieve strategic goals and success in the long term, every organisation needs to be in a good state of health (Mbachu, 2011).

Mbachu (2011) argued that the strategic health of an organisation depends on how the key strengths are utilised to exploit prime opportunities while at the same time minimize exposure of the critical weaknesses to the serious threats in the external environment. When an individual is healthy, the organs perform as they should. The flow of blood, oxygen and nutrients satisfy the demands of these organs and build their capacity. In addition, the individual feels better both physically, emotionally and is energized with increasing stamina and ability to cope with unusual unexpected events (Stuart, 2009). Similarly, the wellbeing of an organisation will enable it to deal with tasks and relationships in a much more positive, efficient and effective manner. The organisation will be able to capitalise on opportunities in the environment, repel competitive threats and accommodate other external requirements (Wermeling, 2009). Organisations that rely too much on financial performance targets risk putting short – term success ahead of long – term health (Gibbs et al., 2012). Gibbs et al. (2012) argued that when people do not have real targets and incentives to focus on in the long – term, they quickly lose focus, and over time performance declines as few people have the capabilities to sustain and renew it.

In emphasising the importance of Organisational Health, Lencioni (2012) argues that, the single greatest advantage any organisation can achieve is Organisational Health without which Organisational Intelligence will be eroded.

According to the American Organisational Health Diagnostic and Development Corporation (2013), with Organisational Health there will be minimal politics and confusion, high degree of morals and productivity, sustained growth and very low turnover among good employees. It was re iterated that Organisational Health will foster a systematic process for developing leaders and leadership teams; improve leadership and organisational effectiveness and efficiency. As earlier stated, Organisational Health is also concerned with employee well- being. In line with this, Naidu and Ramesh (2011) contended that the performance of employees is dependent on the health of the organisation. The absence of Organisational Health will make employees see their jobs as dehumanised, which will result in alienation and frustration. In order to keep employees motivated to work efficiently and effectively, Organisational Health is key. Organisations should be concerned not only with their performance but, most importantly, their survival. To ensure survival, Organisational Health must be in place which will in turn require regular health checks (Stuart, 2009). Stuart (2009) advised that organisations need to practice prevention to keep functioning well and also heed indicators of Organisational Ill- Health. The benefits of workplace wellness are significant. Workplace wellness reduces absenteeism, enables better retention of staff, reduced rates of accidents and injuries, improved morale, motivation and increased job performance/productivity. Organisations should be given a periodic health audit, especially when there is a shift in environmental factors like competitors, legislation and market trends. (Muntaner et al., 2006). Accordingly certain factors can necessitate a health audit as depicted in Table 2.11.

Table 2.11 Factors Necessitating Organisational Health Audit

S/No	Factors Necessitating Health Audit	Requirements
1	When an organisation undergoes major changes in the area of new technology, process redesign, merger/acquisition.	A comprehensive health audit strategy is required to restore organisational balance, minimize disruption and ensure smooth transition.
2	When performance is not as expected, customers are lost, employees' morale drop.	The reason for all this should be understood for immediate corrective actions to be taken. Consequently, the health audit will provide diagnostic information that will guide prescriptive decision making.

Source Modified from Zlotnic (2005)

As important as Organisational Health is, it is judicious to maintain it, and hence reduce the pace at which organisations age. Ageing is a gradual degeneration of the whole body as well as an organisation (Galbraith, 2009). Galbraith (2009) further argued that the rate of degeneration is mainly determined by lifestyle and not by chronological age. In addition, the rate of degeneration in organisations can be mainly determined by the leadership type, management style and structures, and not by chronological years of existence. This degeneration can be slowed down and, in most cases, reversed by following the rejuvenation principles. This aging process

can be reversed by ensuring Organisational Health. Similarly, adding life to years, not years to life, is the goal of ageing research (Stanford, 2011). According to the author, the health of the organisation is not in the length of time it has been in existence but in the wellness of the organisation. Much of what is called 'ageing traits' are really the outcome of repeated self-inflicted anomalies, abuse of positions and power. Once things are done right, faulty life styles corrected, the ageing process can be reversed considerably (Stanford, 2011). The causes of aging, in both humans and organisations, are listed in Table 2.12.

Table 2.12 Causes of Ageing in Human and Organisation

S/No	Causes of Ageing in Human	Causes of Ageing In Organisation
1	Faulty lifestyle.	Poor information system.
2	Poor nutrition.	Lack of managerial direction.
3	Lack of proper exercise.	Wrong leadership style.
4	Poor sleep.	Lack of managerial competence.
5	Stress.	Lack of cultural values.
6	Cigarette smoking.	Lack of accountability.
7	Drinking excess alcohol.	Lack of co-ordination.
8	Over exposure to sunshine.	Lack of control.
9	Lack of rest	Soledependence on only financial indices.

Source: Modified from Galbraith (2009); Stanford (2011)

In the Conceptual Literature on Organisational Health, human resource tools (Work attitudes, Mentoring and Communication), analogies and importance of Organisational Health have been discussed. In discussing the importance of Organisational Health, mention was made of ageing traits and causes. To reverse or ameliorate the effects of these ageing traits in organisations, the dimensions of Organisational Health will be put in place to achieve Organisational Health and to foster sustained Firm Growth. Having discussed Organisational Health and its aforementioned sub-sections to a considerable extent, the dimensions of Organisational Health are discussed in the subsequent section.

2.3 DIMENSIONS OF ORGANISATIONAL HEALTH

Researchers have considered some common issues as critical for successful, continuous quality improvement

efforts (Abdullah et al., 2009). Economic and social progress of a country is not solely dependent on the richness of its natural resources; similarly organisations should not only depend upon monetary capital rather human capital, which has always been considered as the ultimate source, to speed up the pace of a country's or Organisational Development (De Biazi, 2012). According to De Biazi (2012), the utilisation of HR practices is widely believed to lead to organisations having strategic and competitive advantages. These factors and practices, traced to human capital, are all dimensions of Organisational Health, and literature has suggested that they be classified as soft and hard factors (Rahman and Bullock, 2005; Abdullah et al., 2009).

The soft factors have been identified and described by Baruch and Folger (2005) as the behavioural aspect of management, in other words the human factors. This includes perceived leadership, managerial direction,

managerial capability and cultural values (Rahman, 2004; Baruch and Folger, 2005; and Britton, 2009). However this study focuses on only perceived leadership and managerial capability because various studies (Jaja, 2009; Hamilton, 2012; and Augustine, 2013) have been done on managerial direction and cultural values but not much has been done on perceived leadership and managerial capability in the Nigerian context. Besides the aforementioned rationale, cultural values and managerial direction are embedded in perceived leadership and managerial capability respectively in the Nigerian context. Furthermore, Keller and Price (2011a) and Kelloway et al. (2012) examined perceived leadership and managerial capability in developed countries. Nigeria being an under developed country necessitated the need to examine these same dimensions in the Nigerian context. The hard factors as identified and developed by Baruch and Folger (2005), Rahman and Bullock (2005) and Britton (2009) are described as work process control techniques, which ensure the correct functioning of such processes. They include accountability, reporting structure, control and coordination. Accountability and reporting structure were chosen because not much work has been done on them in the Nigerian context. The factors that make up these soft and hard factors are all dimensions of Organisational Health. For the purpose of this constructivist study, some of these factors identified as dimensions of Organisational Health, as depicted in the Conceptual Framework are explored and evaluated in the Nigerian context. They include the soft factors, consisting of perceived leadership, managerial capability and hard factors consisting of accountability and, reporting structure.

2.3.1 Soft Factors

Soft factors are described as the behavioural aspect of management, in other words, the human factors. These factors differentiate the more successful organisations in emerging markets as regards talent management. It is believed that the effective management of people and other resources in organisations is an influential means to respond to rapidly changing and dynamic environments, to achieve superior organisational goals (Kehoe and Wright, 2013). The ability to manage people and other resources effectively form part of the behavioural aspect of management, which constitute the soft factors. Consequently, research has increasingly focused on Human Resource Management (HRM) and practices, as drivers through which managers shape the human capital within organisations (Innocent et al., 2011). Studies by Wang and Zang

(2005), Sun et al. (2007), Subramony (2009) and Messersmith and Gurie (2010), have suggested that HR practices are positively related to performance, and ultimately Organisational Growth. These practices are assumed to enhance employee behaviour and outcomes, which in turn positively affects Organisational Growth (Alfes et al., 2013).

The soft factors to be discussed are perceived leadership and managerial capability. By using case studies and analysing interviews of executives, researchers and consultants have identified perceived leadership and managerial capabilities as the non-traditional and non- financial elements that employees prioritize (Shriram, 2012). The soft factors, also referred to as the Commitment Approach (Whitener, 2001), emphasise the need to treat employees as valued individuals, placing emphasis on their well-being. Soft factors are linked with human relations and, hence stress the importance of winning the commitment of workers in order to actualise organisational goals (Butler and Glover, 2010). Employees are therefore viewed as means and not object (Guest, 2002). The soft factor dimensions are discussed in the subsequent sub sections.

2.3.1.1. Perceived Leadership

The nature and effects of leadership remain one of the most researched topics in Organisational Behaviour (Kelloway et al., 2012). Furthermore, employees highly value strong leadership that challenges them to develop into future leaders and contribute to Firm Growth (Shriram, 2012). Relationships with supervisors and managers tend to matter more to employees in developing economies like Nigeria because of their collectivist culture (Ahiauzu, 2010). Employees require more interaction with their supervisor in managing their careers which also affects their engagement with work.

Arguably, the vast majority of research conducted suggests that leadership is important to the extent that it is associated with organisationally relevant outcomes, such as employee behaviour, performance and motivation (Kelloway et al., 2012). According to Kuoppala et al. (2008), there is an expanding body of literature that has considered employee well-being as a resultant effect of Organisational Leadership. Strong leadership produces a successfully running organisation and enhances efficiency and productivity.

This in turn leads to reforms, such as increasing employees' time devoted for tasks, increasing accountability and reduction in repetition (De Biazzi, 2012). Furthermore, the power of leadership enhances the motivational level of others to achieve common goals that ultimately affect the outcome, productivity and growth of an organisation.

Barling et al. (2009) stated that leadership is working with and through people to achieve result. In recent years, there has been an explosive increase in research on understanding organisational dynamics, of which leadership is seen to be one of the most important factors affecting organisational performance. For managers, leadership means focusing on the activity through which the goals and objectives of the organisation will be accomplished (Bennis and Goldsmith, 2004). Bowen and Ostroff (2009) observed that since the leader has a significant impact on the attitudes, behaviour and performance of colleagues and subordinates, leadership has been the main focus of attention and study of behavioural scientists. Bowen and Ostroff (2009) further asserted that leadership has to be accepted by those being led and similarly, Bonny (2005) maintained that this acceptance concerns the ability to gain respect and to win the confidence of others. One of the ways to get through to the people to win their confidence is through communication. Burke (2003) describes communication as the ability to get through to people at different levels to accomplish desired goals. An accomplishment according to Chew and Chan (2008) is the amount and quality of work produced through the effective use of time. Flexibility may also be required by a leader, Chew and Chan (2008) described such flexibility as the ability to cope with change and adjust to the unexpected. Bolwin and Kumpe, (2009) point out that a leader also has to be objective, and viewed this objectivity as the ability to control personal feelings and remain open- minded.

Mullen and Kelloway (2010) postulated that leadership is the process where one or more individual succeeds in influencing the behaviour of others thereby defining their realities. Considering the fact that a leader influences the behaviour of the followers, it then implies that the perception and subsequent behaviour of the followers matter. Perception is an individual's interpretation of external stimuli; the meaning the individual gives to persons, objects, ideas and events

(Ahiauzu, 2010).

Tanveer (2010) argued that the success of a leader is not only tied to how the leader's role is defined and performed but also to how it is perceived by those around the leader. Tanveer (2010) further argued that in organisations, the role of a leader is often defined in terms of the function of the leader. In the study, it was revealed that there is always uncertainty in the perception of the leader's role, mostly in the way that the leader's role is perceived by those being led.

Sharing a parallel view, Jogulu (2010) further contended that perceived leadership is the extent to which followers believe in and are inspired by their leaders. Research by Ivey and Kline (2010) proved that, in recent years, organisations have begun to reduce their focus on the solo activity of leaders and increase focus on ways to facilitate greater coordination and performance between the leaders and followers. As a result organisations are employing leaders who are highly educated and, well informed, with excellent managerial and communication skills to facilitate the desired bond between the leaders and those being led; this in turn influences the perception of the followers about the leaders. It was also acknowledged that the personal leadership style of the leader is likely to contribute to the perception of the followers about the leader and in turn affect performance and growth (Xirasagar, 2008).

According to Bass and Riggio (2006), human resource scholars have focused on these aspects of leaders' behaviour and management and their impact on employee perception, performance and organisational outcomes. Leadership concerns itself with achieving results through people. According to Cregan and Brown (2010), the essence of leadership lies in answering the question; What must I do to lead the people for whom I am responsible? This approach views leadership by the functions that meet group needs and tasks requirements. Bartel et al. (2011) observed that all groups have at least three areas of need, and that their fulfilment positively affects the leadership perception. This includes the need to accomplish the common organisational task, the need to remain as a cohesive social unit (team maintenance need) and the individual needs of group members (D'Souza, 2011) as depicted in Figure 2.7.

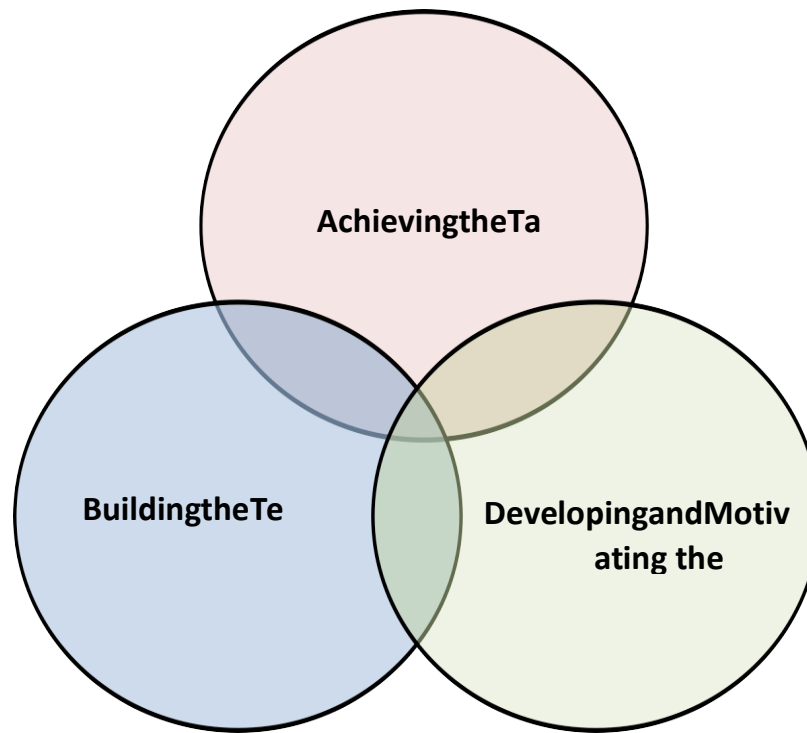


Figure 2.7: Areas of Need for Leadership Effectiveness Source: D'Souza (2011)

Preferred Leadership, Perceived Leadership, and the Leadership Gap:

Preference is described as the choice of one thing over another, with the anticipation that the choice made will result in greater satisfaction, greater capability and improved performance (Jaskyte, 2004). Preferred leadership style is therefore defined as the choice of leadership style, which is usually, according to expectation, admired by subordinates (Boon et al., 2009). Perception, on the other hand, is a process by which individuals select, organise, retrieve, and interpret their sensory impressions in order to give meaning to their environment (Kelloway et al., 2012). Perceived leadership style is defined as the leadership style exhibited by leaders as observed by followers (Tanveer, 2010). When considering perception, however, it is important to realise that what one employee perceives can be substantially different from the objective reality and perception of other employees (Robbins and Judge, 2007). This is due to reasons related to the nature of the perceiver, the nature of the situation and perceptual distortions (Hitt et al., 2006). As a result of the high potential of the application of shortcuts to judge others by the individual perceiver, it is important, not only to rely on the individual perceiver's feedback, but to evaluate the overall pattern derived from collective feedback (Laohavichien et al., 2009).

For leaders to have direction, implement improvements,

establish Organisational Health and foster Firm Growth, the gap between preferred leadership and perceived leadership has to be determined. A leadership gap refers to the difference between an individual's expectations (preferred) over reality (perceived), which commonly takes place in one's job lifecycle (Biasi and Douglas, 2006). When an expectation is unmet, the employee's job performance will be adversely affected and, in a worst-case scenario, increase an employee's tendency to withdraw from their job. The leadership gap is denoted as: Leadership Gap = Preferred Leadership – Perceived Leadership (Martin and Bush, 2003; Biasi and Douglas, 2006; Boon et al., 2009; Kelloway et al., 2012). Kelloway et al. (2012) asserted that it is better for the perceived leadership to equate with or be greater than the preferred leadership.

A leader can be perceived to be transactional or transformational (Riaz and Haider, 2010). According to Riaz and Haider (2010), a transactional leader relates with employees within the confines of what has been transacted, while a transformational leader is a visionary who sees what others don't see and makes the vision attractive to motivate others to join in the actualisation of the vision. Transformational leaders are otherwise known as Change Agents and can be perceived to be positive leaders. Burns (1978) in Ahmed and Qazi (2011)

developed the "Transformational Leadership Theory", with further enhancements made by various other researchers, depicting the individual outcomes and features of Transformational Leadership, as shown in Table 2.13.

Table 2.13 Outcomes and Features of Transformational Leadership

S/No	Individual Outcomes	Features
1	Commitment.	As regards work experiences, organisational and personal factors serve as antecedents. There exists enthusiasm.
2	Empowerment.	In terms of self-efficacy, followers develop power to think on their own. There is the existence of a participative climate.
3	Job satisfaction.	Responsibility and autonomy in work tasks exists and this stems from follower's perception.
4	Motivation.	Extra effort is an indicator as usually put in by followers. There is also a high energy level dissipated among followers.
5	Self-efficacy. Beliefs	This influences patterns of thoughts, emotions and actions. It increases when a leader shows confidence in the followers.
6	Team work	This is essential in relationship between a transformational leader and followers. It determines much of the employees' character and influences organisational structure.

Source: Modified from Ahmed and Qazi, (2011)

Krishnan (2005), in explaining the transformational leadership theory, with focus kept on its root premise of the leader's ability to motivate the employee and superimpose this motivation over what was planned, argued that a leader exhibiting transformational leadership style influences the employees in four major ways as shown in Table 2.14.

Table 2.14 Transformational Leader's Influential Ways and Features

S/No	Influential Ways	Features
1	Inspirational motivation.	Inspires followers to be role models.
2	Individualised consideration.	Provides employees with the sense of autonomy of the work and help employees identify their strong and weak points.
3	Intellectual stimulation.	Optimize performance of employees.
4	Idealised influence.	Synchronizes the core values of employees with overall organizational goals.

Source: Modified from Krishnan (2005)

Transformational leadership study has generally been focused on its effects on employees' work motivation and performance. The role of a transformational leader is suggested to enable employee job satisfaction by providing inspirational motivation, intellectual stimulation, individualised consideration and charisma (Lopez et al., 2005).

Alternatively, a transactional leader focuses on the achievement of desired results by employees through offering them reward (or punishment) (Avolio et al., 2009). The aim of imbibing this type of leadership style is to ensure the coherence of individual efforts with the fulfilment of desired goals. Transactional leadership style can be explained on the basis of four major dimensions as shown in Table 2.15.

Table 2.15. Transactional Leadership Outcomes and Features

S/No	Organisational Outcomes	Features
1	Contingent Rewards.	Goals are first agreed upon mutually by the leader and employees and then rewards (punishment) are offered in exchange for the task accomplishment.
2	Active Management by exception.	Corrective measures are adopted by the leader to mitigate the effects of deviation by the employees from the set standards and regulations.
3	Passive Management by exception.	The leader does not interfere unless there is a violation of rules and standards.
4	Laissez-faire	The leader hands over the responsibilities and passes on the decision making authority, in certain situations, to the employees.

Source: Modified from Avolio et al. (2009)

From parallel opinions of other researchers, transformational leadership style is believed to be the more effectual leadership style (House and Aditya, 1997; Jung and Avolio, 2000; Aldoory and Toth, 2004). However, although transformational leadership is asserted to be the more preferable style, the choice between practicing transactional or transformational leadership approaches varies based on subordinates' preferences (Fredrickson, 2009).

Besides employees perceiving a leader to be transformational or transactional, the leader can be perceived to use either Lead managing or Boss managing styles (Mackey, 2007). There are qualities associated with both the Lead and Boss management styles, as identified by Mackey (2007). A study on leadership and complexity by Schoo (2008) also identified these qualities. They identified the six L's, which are important tools in the tool box of a lead manager, which include leading, loving (empathy), listening, learning, limiting (by focusing on the goals and objectives of the organisation) and levelling (Goleman, et al., 2002). Lead managers are likely to be more emotionally intelligent and in control of their own total behaviour. The differences between the lead and boss management styles are as depicted in Table 2.16 in Appendix iii.

Fullagar and Kelloway (2012) revealed that an important role for organisational leaders is to create

and facilitate positive emotions in their followers. Accordingly, positive leadership is defined as leadership behaviours that result in followers' experiencing positive emotions' and, therefore, having a positive perception of the leadership. Increased frequent, positive emotional experiences subsequently have beneficial influences on both the physical and mental health of the employees and thereafter improve Organisational Health. In the view of Algoe and Fredrickson (2011), although it is not possible to completely eradicate negative emotions, positive emotions should be on the increase in the work place to have salutary effect on employee well-being. It then becomes obvious that for organisations to have a competitive advantage, the perceived organisational leadership by the employees must be positive. This motivates employees, improves performance, increases and sustains long term productivity and fosters Organisational Health (Ahmadi et al., 2010). Positive leadership has been associated with outcomes that include happy relationships, teamwork, learning, recognition and staff retention, which ultimately leads to Organisational Health and wellbeing (Fredrickson, 2009). Positive leadership brings to bear positive perception on the part of employees.

The concept being discussed is perceived leadership as a dimension of Organisational Health. As previously stated, the perception is from those being led hence it behoves the organisational leaders to lead in a way that

will bring about positive perception. This explains why the Transformational and Transactional Leadership types, and Lead and Boss management styles were discussed. There is evidence that emotionally intelligent leaders in organisations are able to bring about positive outcomes because they are attuned to the emotions that move the people around them (Goleman, et al., 2002; Schoo, 2008). This generates the need to discuss Emotional Intelligence.

Den-hentog et al. (2004) discovered that leaders high in emotional intelligence (EI) outperform others in terms of achievement. Baron (2007) therefore suggested that the application of EI in organisations should be in areas such as personnel selection and development of employees. Workplace EI, as stipulated by Alge et al. (2006), is a set of emotional competencies which direct and control one's feelings towards work and performance at work. They refer to the ability of an individual to control and manage mood and impulses whilst at work. The authors contended that knowing one's emotions and feelings as they occur requires the emotional competence, maturity and sensitivity demanded of the job.

Amabile et al. (2005) observed that in an organisation, performance of employees depend on working with a group of employees with different ideas, suggestions and opinions. The authors further observed that effective use of EI gives better team harmony. Wall (2008), in addition, contended that managers, representing the organisation at the apex level particularly, need high EI. This is because they interact with the highest number of people within and outside the organisation, therefore setting the tone for employee morale. Leaders with high EI understand employee needs and provide them with constructive feedback. Arnet and Orbert (2005) observed that there are areas in organisations that require EI. According to the authors, for example, success in sales requires EI to understand customer's needs and provide relevant services for them.

An observation by Arnet and Orbert (2005) reinforces, Baron and Markman (2003) who discovered that EI in the organisation aids the support and identification of employee's EI level, and its influence on employee performance, which ultimately affects Organisational Growth. It was suggested by Baron and Markman (2003) that employees need to enhance their EI alongside their technical skills. Management of EI

among employees helps in developing the interpersonal skills needed to work effectively within the organisation (Alvarez and Barney, 2005). EI also leads to improved relationships between management and staff at work, keeps employees under control, lowers stress levels and motivates employees. EI enhances a leader's managerial abilities, enables them to communicate effectively with subordinates and to influence without conflict.

In respect of EI, Goleman et al. (2002) maintain that a key task of leaders is to prime good feelings in the people they lead. This in turn creates resonance and contributes to a positive work environment in which people perform at their best. Therefore, it is argued that basically the primal job of a leader is emotional and the primal leadership model is congruent with neurology. Not only do the moods of leaders affect those whom they lead, but EI leaders inspire, motivate and arouse enthusiasm and commitment (Carter, 2008). Mental efficiency and flexibility in thinking is enhanced when people feel good (Isen, 1999). This brings to bear a positive leadership perception from the employees and ultimately fosters Firm Growth.

Having discussed the existing perceptions of leadership in related literature, this constructivist study evaluates the existing leadership in the Nigerian context, particularly as perceived by subordinates. It explores the existing perceived leadership styles (transformational, transactional, task oriented and human oriented) in Nigerian SMEs. This is as disclosed in the research findings in chapter four. The next soft factor dimension of Organisational Health to be discussed is managerial capability.

2.3.1.2 Managerial Capability

Vathsala and Nimali (2009) argued that over 20 years, the world of work has changed radically as regards performance. In the study by Vathsala and Nimali (2009), it was pointed out that organisations are flatter, with some levels of management eliminated, employees are not achieving set goals, and there is a loss of customers and increased competition. Furthermore, increased focus on customer, employees and rapid response to problems and opportunities in a continuously changing environment, has made the manager a vital resource in guiding and directing workers to success. Keller and Price (2011b) argued that managerial direction means having a clear sense

of where the organisation is heading, how it will get there and making this meaningful to employees. It therefore follows that there must be set achievable goals, a vision that will be the focus of both the leader and followers.

Aluko (2004) postulated that goal congruence cannot be achieved without managerial direction. Goal congruence, as described by the author, is the process of working as a team for the actualisation of common objectives. Management- initiated activities are needed in directing employees. These shape employees' responses, lead to increased performance, sustained competitive advantage and in turn Organisational Health (Zboja and Hartline, 2010). In directing employees, the critical role of managers in organisations include working as a team, inculcating team spirit in employees, exhibiting creativity, quick response to customers, continuously improving products and services, designed to meet specific customers' needs, and turning policies into action (Vathsala and Nimali, 2009).

However, in the implementation of Organisational Innovation and actualisation of set goals, Leonard-Barton and Deschamps (2008) contended that managers are usually presumed to influence the extent to which innovation is adopted and used by subordinates. The findings by Leonard-Barton and Deschamps (2008) suggest that managerial influence is not equally

perceived by all subordinates but, rather, certain context-specific characteristics of individual employees negate the managerial influence. This, therefore, entails competence on the part of managers in influencing employees. Competence is a measurable characteristic that can be defined in terms of the ability and willingness to do a task. It can be a trait, social role or skill of a person, in relation to effective performance in a specific job and organisation (Hayes, 2001 in Vathsala and Nimali, 2009). In the study, the skill required is described as managerial capability. Managerial capability is defined by Keller and Price (2011b) as the institutional skills and talent required in executing strategy and thereby creating competitive advantage. Similarly Ron and Constance (2003) introduced the concept of dynamic managerial capabilities to underpin the finding of heterogeneity in managerial decisions and organisational performance, in the face of changing environmental (internal and external) conditions.

Mark et al. (2009) also defined managerial capability as the ability of an organisation to integrate, build and reconfigure internal and external competences to address rapidly changing environments. De Biazzi (2012) shared a parallel view by contending that the success of an organisation depends on the dynamic adjustment of its organisational practices, people management policies, technological choices, predominant mode of behaviour, which largely depends on the skills and competence of the manager ; that is managerial capability.

Managerial capability differs from one organisation to another because each has its own unique features in terms of skills, competencies and motivation, which should be understood by the managers. Managers should ensure consistency of purpose and attitudes in the long- term, which encompasses commitment from all levels, with established and agreed-upon rules (Galford and Drapeau, 2003). This consistency emanates from an objectivist stand of the managers (Locke, 2006).

Managers' behaviours should portray a sense of justice; surety of what is said, keeping agreements, promises and respecting individuals, their intrinsic values and contributions to the organisation (Clawson, 2009). This consistency must of necessity cut across all managerial levels (Cassar, 2010). Managerial capability as a dimension of Organisational Health is, therefore, important in an ever changing environment (internal and external) to sustain competitive advantage and increase growth. Harreld et al. (2007) also contended that pursuit and achievement of the dynamic capabilities that lead to sustainable growth and long-term survival is an aspiration for those in top management positions.

This study covers the non-financial indices as found within Organisational Health and Growth. The aim of this study is to phenomenologically evaluate, the interpretation of the non-financial dimensions of Organisational Health in relation to the non-financial measures of Growth of SMEs in the Nigerian context. A systematic literature review is found in the section on Empirical Literature. As earlier stated this section contains the Conceptual Literature. The soft factor dimensions (perceived leadership and managerial capability) of Organisational Health have been identified, of which, perceived leadership has already been discussed. Managerial capability as a dimension of Organisational Health will be discussed in this section.

The practices and skills required to ensure managerial capability include Goal Setting (Barney, 2005), Team

Work (Hamdia and Phadett, 2011), Innovation (Binnewies et al., 2009), Emotional Intelligence (Bulik, 2005), Knowledge and Knowledge

Management (Nunes et al., 2006). These are discussed after the respective practices and tools depicted in Figure 2.8.



Goal Setting

Managerial capability as a skill can be conceptualized in the manager's ability to set organisational goals that provide the organisation with a blueprint determining a course of action in preparation for future changes (Barney, 2005). A goal according to the author can be defined as a future state that an organisation or individual strives to attain. In other words, it is a target that an individual or organisation tries to accomplish within a stipulated time. Consequently Basadur and Glade (2006) observed that in seeking to exploit environmental resources and opportunities, organisations sometimes set goals. These authors further discovered that managers either set multiple goals, or narrowed their focus to only a few goals, to achieve organisational success.

Benkhoff (2007) however, asserted that success in a complex organisation is not simply one enormous goal achieved as desired, but also series of insignificant goals rightly achieved. According to the author, multiple goals may lead to complexities, but organisations can reduce complexity by eliminating some goals. This may result in the risk of decreasing organisational performance, and thus growth, because of the interdependence among goals and the objectives required to achieve them. It has been

observed by Cohen (2009) that for each organisational goal, there are set objectives.

As observed by Cohen (2009), an objective is a short-term target with measureable results to actualise set goals. Dorfman et al. (2004), in addition, asserted that without clearly defined goals and objectives, organisations usually have problems coordinating activities and forecasting future events. As a result, the authors suggested that managers need the pre requisite skills and capabilities in setting desired goals and objectives. This brings about the necessity of managerial capability as a soft factor dimension of Organisational Health.

Haslinda et al. (2007) argued that the single greatest problem in any organisation is lack of managerial skills. Without developing skills and capabilities in management and in dealing with people, at best most people can give only mediocre leadership. Managerial skills require people skills that come easier when solidly based on an understanding of human behaviour. Gagne and Deci (2005) suggested that a leader should be goal oriented. The leader should have foresight and a sense of direction. By clearly stating and restating the goal, a leader gives certainty and purpose to subordinates, who

may have difficulty in achieving set goals. According to De Smet and Schaininger (2006), human beings are the most essential resource leaders have. It has been observed by the authors that even in the most automated organisations, humans are still crucial. As leaders, superior managerial capabilities are needed in order to effectively manage human resources to manage to achieve the actualisation of organisational goals.

Garcia-Morales et al. (2006) contended that organisational goals serve four basic functions which include, provision of guidance and direction, facilitation of planning, motivation and inspiration of employees. This helps the organisation to evaluate and control performance. When goals are specific, it informs managers, and employees, where the organisation is going and how it plans to get there. In times of critical decision making, managers can refer to the organisation's goals for guidance. Goals promote planning, which subsequently determines how the goals will be achieved. To confirm the importance and essence of goals, Gantam (2006) stated that employees often set goals to satisfy needs, therefore goals can be motivational and increase performance. Once goals are set, evaluation and control allow an organisation to compare its actual performance with its goals and then make necessary adjustments.

Team Work

Further emphasizing the importance and need for managerial capability, Hamdia and Phadett (2011) suggested that team work is essential for the growth of an organisation, but requires certain skills and capabilities to ensure its establishment and subsequent positive output. The authors contended that a team comprises employees from different backgrounds, with different educational qualifications and capabilities. It therefore behoves an organisation to have leaders that possess the necessary skills, and managerial capabilities, to effectively manage the team and ultimately achieve desired goals. On the other hand, Gloet (2006) suggests that autonomy is also an area in which managerial capability is crucial.

Autonomy, according to Gloet (2006), is the ability to work independently, make decisions and take actions aimed at actualising business concepts and vision, carrying them through to completion. It is the degree to which an organisation provides employees with the discretion and independence to schedule their work and implement it to achieve the desired results. It therefore determines the level of freedom employees have and gives the employees a feeling of responsibility. Oke and Amodu (2006) argued that a manager without the prerequisite capabilities may have difficulty in correctly

assessing a job done independently by an employee. An assessment by a manager can either positively or negatively influence the performance of the organisation.

However, it has been observed that in most Nigerian SMEs, managers at the strategic level lack necessary skills and capabilities and, therefore, cannot ascertain the accuracy of jobs done independently by subordinates (Ibok, 2009). This adversely affects performance and in turn organisational growth. Nevertheless, Maugham (2009) argued that autonomy can be granted to teams in order for them to exercise their creativity and to champion the promising ideas needed to foster Organisational Growth. It creates an enabling environment for employees to be self-directed in the pursuit of opportunities. From an organisational perspective, it is the extent to which managers possess the ability to make decisions and choices, accept their consequences, have knowledge of particular goals to focus on and, commit adequate resources to unknown outcomes for the future, without stifling organisational constraints (Dess et al., 2003).

Innovation

Innovation is generally viewed as critical to the competitive health of organisations (Binnewies et al., 2009). In a business and economic environment with rapidly changing conditions such as in Nigeria, technical developments, customer preferences, balanced allocation and utilization of resources as well as innovations are necessary conditions for the sustainability of an organisation's health. As a result, managerial capability is required to effectively and efficiently allocate and utilise available resources in line with the environment and perceived opportunities.

Bachrach et al.(2006) contended that Organisational Innovativeness is akin to its distinctiveness, which enables it to build and capitalise on its competencies; Leverage on the utilisation of its resources, therefore, leads to improved competitiveness and sustained growth (Kuratko and Audretsch, 2009; Hitt et al., 2009). Hitt et al.(2009) further asserted that the allocation and utilisation of resources can be seen in terms of human capital (employees), equipment, technology, information, patents or reputations and, of course, financial resources. It is pertinent to note that these resources are all very important and therefore, if inadequately or inappropriately allocated; it would be difficult to translate creative ideas into new processes, products or services. This reveals that innovation requires pertinent skills and capabilities beyond what is required for routine operational needs (Ainuddin et al., 2007).

Coyin et al. (2006) observed that organisations that are innovative can also be proactive. Proactive organisations maintain the first mover advantage in the short term and shape the direction of the business environment in the long term (Hughes and Morgan, 2007). Proactive organisations seek specific and valuable resources to enhance their competitive advantage. Being proactive refers to the ability to take initiative not only in defence, as is common in most Nigerian SMEs, but also in the offence (Datta et al., 2005). The proactive nature of an organisation requires the synergistic allocation and management of organisational resources to enhance competitiveness, increase performance and foster growth (Hughes and Morgan, 2007). The authors believe that synergistic management of resources, their effective and efficient allocation and utilisation are highly significant to Organisational Health and Growth.

Innovation and proactivity are associated with some form of risk or likelihood that actual results will differ from expectations (Haslinda et al., 2007). Risk taking involves a willingness to pursue opportunities that have a reasonable likelihood of producing losses or significant performance discrepancies. Risks may be measured as extreme, uncontrollable, moderate or calculated. The authors therefore contended that the capability of managers to perceive risk at its inception and to find avenues to mitigate, transfer or share the risk is of utmost necessity.

Harrison and Leitch (2005) argued that managerial capability is needed to be reasonably aware of the risks involved in an organisation and manage the risks. It has been observed by Fosfuri and Tribb (2008) that in most Nigerian SMEs, managers find it difficult to venture into new project investments due to the fear of the risks to be encountered. It is pertinent to note that there is hardly any business opportunity without some element or percentage of risk. For this reason, it behoves managers to possess the necessary capabilities that will equip them to manage and reduce the effects of risks to the barest minimum (Hayton, 2005).

Emotional Intelligence

Emotional Intelligence (EI) is an important managerial skill which refers to one's ability to be aware of one's own feelings, others feelings, to differentiate among them, and to use the information to guide one's own thinking and behaviour (Bulik, 2005). The definition of EI, as Bulik (2005) revealed, indicates that it is an ability to recognize and analyse the meanings of emotions, relationships and, problems and to proffer solutions. It was further revealed by Slaski and Cartwright, (2002)

that with EI, emotions can be perceived, emotion-related feelings can be assimilated and the information concerning those emotions can be understood and managed. EI has become of greater general interest, with widespread significance and importance to psychological research, in recent years.

It has been argued by Svyantek and Rahim, (2002) that EI is one of the important factors that determine success in life and psychological well-being. Evidence has been provided for a direct link between EI and academic business and organisational achievement. Zapf (2002) argued that EI may be an important adaptive mechanism for helping individuals to interact with their external environment, and this includes fellow employees within the work environment. Studies by Salovey and Mayer (1990); Nowicki and Duke (1992); Goleman (1995) and Weisinger (1998) reveal that a high level of EI may reduce adverse health outcomes even in highly stressful conditions and therefore sustain competitive advantage and foster growth.

Knowledge and Knowledge Management

Another important tool required in the exhibition of managerial capability is knowledge and its management. Consequently, recent management literature stresses its importance and significance to firms (Martín-de-Castro et al., 2006). In order to gain and sustain competitive advantage in the global economy, today's organisations need to effectively and efficiently mobilise their knowledge resources (Nunes et al., 2006). It was contended by Nunes et al. (2006), that with rapid and continuous changes of information technology, the traditional business models have to adapt to the business environment to survive. It was further suggested that globalisation and competition, knowledge have become known as the most valuable strategic sources. Consequently, organisations should strive to have the ability to utilise knowledge, take advantage of market opportunities and find solutions for the problems.

Flamholtz and Kurland (2005) discovered knowledge and knowledge management to be indispensable tools in organisations due to the prominent strategic roles played; especially the competitive advantage of knowledge and its power and influence. Presently, it is expedient to systematically handle knowledge so as to remain competitive (Wiig, 1997). Research activities can be observed within the field of knowledge management yet its application in SMEs seems to be under developed and below expectation (Hutchinson and Quintas, 2008). Contrary to expectation, SMEs seem to be the most in need of knowledge management since knowledge is said

to be kept in the heads of the owners and some key employees rather than being physically stored (Wong and Aspinwall, 2004).

Consequently it was revealed that such SMEs very much rely on tacit knowledge. This is dangerous because any loss of key employees (i.e. long term, experienced and skilled staff) exposes them to internal and external threats, which makes them extremely vulnerable.

Furthermore, Lehner et al. (2005) argued that SMEs rarely have an overview of their Organisational Knowledge which is dangerous since it can bring about unanticipated loss of knowledge, intangible resources and relational capital (Lynn, 1998). Lehner et al. (2005) further argued that at its worst, the loss of one single key employee will put the SMEs' survival at risk.

Knowledge management involves a set of procedures, infrastructures, technical and managerial tools designed towards creating, circulating (sharing) and leveraging information and knowledge within and around organisations (Bounfour, 2003). Knowledge management is the organisational optimisation of knowledge geared towards achieving enhanced performance using several available methods and techniques (Nunes et al., 2006). It was further contended that knowledge management is the reasonable and advised design of the processes, instruments and structures that yield enhanced innovation, participation, improvement and application of knowledge in the three elements of structural, social and intellectual capital.

Keh et al. (2007) asserted that Knowledge management consists mainly of knowledge creation and knowledge transfer. These activities of creation and transfer of knowledge require a special structure, culture and technology in the organisation. Summarily, according to Fuchs (2003), the essence of knowledge management in firms is to create more innovations. A firm can distinguish itself from competitors by systematically managing its knowledge and increase its managerial capability by allowing the development of a competitive advantage and so foster Firm Growth at the long run (Wiig, 1997; Kumar and Raph, 2004).

It was further re iterated by Fuchs (2003), that although knowledge management is important and widely acknowledged by researchers, it is not readily accepted by all managers. There exist several academic approaches to the processes of knowledge management with particular focus on SMEs. Parallel to the definition by Bounfour (2003), knowledge management can be segmented into five core activities; identification,

creation, storage, dissemination, and the use of knowledge (Beijerse, 2000), as shown in Table 2.17 in Appendix iv.

Techniques such as knowledge maps may be useful as they enable managers to identify their knowledge and to visualise the relations within and outside the firm (Van Den Berg and Popescu, 2005). Amelingmeyer and Amelingmeyer (2005) identified a challenge in SMEs concerning knowledge management. In their study, it was contended that SMEs, in implementing knowledge management, must allocate scarce resources with utmost care, as erroneous decisions will have more serious complications and may be more difficult to reverse than in larger businesses. In addition, the owner manager in many SMEs takes on a central position (Bridge et al., 2003). This centrality, according to Durst and Wilhelm (2011), includes responsibility for recognising the contribution of knowledge management in supporting and implementing the necessary structures and systems.

It was further contended that a huge amount of knowledge is personalised; it is in an individual employee's head not employees' heads. If this knowledge is critical, in terms of firm performance, the possessor of it also takes on a critical position within the firm. Such employees have competences, professional experience or access to business networks that can be viewed as fundamental for the firm to operate effectively. In SMEs these include the business owner and employees responsible for business functions such as sales. This knowledge competence and expertise may be the vital source of the firm's competitive advantage (Barney, 1991).

Consequently, to benefit from this knowledge, appropriate structures should be established to have the knowledge spread among all employees (Trevinyo-Rodríguez and Tàpies, 2006). As seen in many firms, the entrepreneur or business owner takes a central role, possessing most of the human and relational capital (Bracci and Vagnoni, 2005), particularly in the SMEs. A situation where a key person possessing sensitive knowledge leaves the firm, breeds implications that negatively influence future productivity and continuity of the firm. This causes the need for successors to learn everything again (Wong and Aspinwall, 2004).and consequently, valuable resources, needed for more important business activities, are lost.

Knowledge loss in firms is closely related to employee turnover, which can be divided into voluntary and involuntary turnover (Shaw et al. 1998). Voluntary turnover occurs when employees resign whilst;

involuntary turnover is concerned with the dismissal of organisational employees (Stovel and Bontis, 2002). Besides turnover, there are other sources of knowledge loss, since SMEs are also vulnerable to unexpected crises such as disease, accident and death (Morrell et al., 2004). Short term as well as long term absence can raise threats to SMEs being unsustainably short of labour as they cannot substitute for absence in the ways that larger firms might. A further reason, albeit often underestimated, is the loss of knowledge due to simple neglect (Gueldenberg, 2003).

In ensuring all the aforementioned practices, there are other areas that require the exhibition of managerial capability. They include coordination and control.

Co ordination

Revealing a parallel view, Okhuysen and Bechky (2009) emphasised another area where managerial skills and talents are required in achieving competitive advantage. Activities carried out at different levels of organisational structure need to be monitored and integrated because they are all for the actualisation of one organisational goal. Coordination, as a process of interaction that integrates a collective set of interdependent tasks, is essential, but requires managerial capability to be actualised (Okhuysen and Bechky, 2009). It takes a capable manager with the requisite skills and talents to coordinate activities and employees. The different units in an organisational structure have different but interdependent roles which, when actualised, lead to increased performance (Emery and Barker, 2007). In achieving the interdependent roles, Emery and Barker (2007) advocated routine meetings, plans and schedules as coordination mechanisms. Control is another invaluable tool for management to continuously evaluate and audit the performance of employees (Obisi, 2011).

Control

Obisi (2011) argued that in every organisation, there are expectations and actual performances. The employees' accountability, organisational structure and coordination may be in place, but when there are no control measures to ensure full compliance and detect deviance from the expected, there may be failures. Managerial capability is therefore needed to establish control which is defined by Keller and Price (2011a) as the ability to evaluate organisational performance and risk, addressing issues and opportunities as they arise. Organisations have become increasingly engaged in inter organisational collaborations involving a high rate of failure attributed to deficiencies in control systems (Chua and Mahama,

2007). For this reason, control systems are recommended and come in different forms such as budgeting and incentive systems (Anderson and Dekker, 2005; Emsley and Kidon, 2007 in Andreas et al., 2011). In emphasising the importance of managerial capability, Nicholas and Abby (2004) revealed that some firms perform better than others by focusing on organisational capabilities in the achievement of overall performance and competitive advantage.

Hsia (2012) revealed that managerial capability is crucial to satisfy the organisational demands of efficacy, efficiency, equity and excellence which are the 4Es that propel performance and in turn growth. In the study, it was revealed that to enhance competitiveness, manpower is inevitable. Human resources are crucial in the success of organisational development and change. Cheng et al. (2010) argued that competence on the part of leaders is needed to harness the human resources available and actualise desired goals and grow. Such competence and capabilities can be exhibited in the areas of leadership, innovation, actions, emotion management, communication and customer orientation. Competence, as defined by Lin et al. (2011), is the combination of experiences, responsibilities, knowledge and skills required for particular positions with minimum capabilities of casualty for successful jobs.

Another key area for managerial capability is the relationship between organisational culture and human resource management practices (Sparrow and Wu, 1998). According to the authors, culture is the integrated sum of the total of learned behavioural traits shared and manifested by members of an organisation. Ngo et al. (1998) argued that individual cultures respond to human resource management practices differently, making it difficult to successfully transfer procedures that have worked in one culture to another. Managers and leaders therefore, need the desired skills and talents to determine a human resource management practice that suits an organisation depending on the organisational culture.

Berrel et al. (1999) disagreed with this arguing that there are human resource management best practices that work in all organisations, irrespective of their individual cultures. Nevertheless, it is still necessary for the managers to possess certain skills that will enable them to identify human resource management best practices to suit cultural differences. This necessitates the acquisition of skills that aid in the determination of such cultures that will be more appropriate for certain human resource management practices (Kumar and Raph, 2004).

2.3.2 Hard Factors

The hard factors, as earlier defined and developed by Baruch and Folger (2005); Rahman and Bullock (2005) and Britton (2009), are work process control techniques which ensure the correct functioning of such processes. Whitener (2001) refers to the hard factors as the control approach, concerned with effective employee utilisation and alignment of human resource (HR) practices with organisational strategies. The hard factors to be discussed include accountability and reporting structure.

2.3.2.1 Accountability

Employees in every organisation are assigned specific jobs and given the resources and authority (positional power) to deliver jobs at stipulated times. Keller and Price (2011b) argued that accountability is the extent to which individuals understand what their job expectations are, have the authority to carry out those jobs and take responsibility for delivering feedback to foster growth. Villareal (2008) shared a parallel view, contending that accountability is a process where a person, or group of persons, are required to present an account of their activities and the way in which they have or have not discharged their duties. It was further contended that the difference between accountability and responsibility is culpability. Similarly, accountability has to do with holding people answerable for their actions (Hall and Ferris, 2009). In other words, it is holding individuals and organisations responsible for performance, measured as objectively as possible. It has been contended that accountability affects Organisational Citizenship Behaviour (OCB), which in turn influences job performance and increases firm growth. Some researchers have revealed divergent views in studies as regards to performance-based accountability contributing to performance and in turn growth (Sirmon et al., 2007).

Lawrence (2004) argues that accountability as a mechanism for providing account of actions has a procedure to follow and aim to achieve. The achievement of the aims enables a satisfactory accountability.

Lawrence (2004) argues that accountability as a mechanism has six components that can be identified through answers to the following questions;

- Who is giving the account?
- To whom will the account be given?
- What is the action for which the account will be given?
- How will the account be given?
- When will the account be given?
- What happens if the account is not satisfactory?

These questions therefore constitute the accountability criteria namely the; Who, To, For, How, When and What if? If organisations in Nigeria affirm that accountability exists in them, these questions should be answered credibly (Tompkins et al., 2010).

Tompkins et al. (2010) argued that if one component is missing in an organisation, accountability does not exist in that organisation. From a pilot survey, it was discovered that most employees in Nigerian firms do not have stipulated job expectations (Ku et al., 2010). Others that have assigned jobs do not have the authority to do the jobs because the same jobs may be assigned to more staff; neither do they know whom they are answerable. The authors again observed that some work but do not give feedback. This hinders performance and negatively affects Organisational Health. In organisations where this is the case, there may not be competitive advantage. To facilitate and promote accountability in organisations, Bovens (2005) suggested that authority and responsibilities need to be clearly defined, while overlapping functions need to be reduced to a minimal level so as not to obscure responsibility and frustrate accountability. Kuratko et al. (2001) argued that the fundamental considerations of accountability focus on three basic facets of relationship as shown in Table 2.18.

Table 2.18 Three Basic Facets of Accountability

S/No	Facets of Relationship
1	The sources of authority to which the individual is answerable for performance.
2	Those authorities' expectations for the accountable employee's performance.
3	The mechanisms by which the accountable employee is held answerable for performance and faces appropriate consequences.

Source: Modified from Schillemans (2008).

To ensure productivity, efficiency and employee satisfaction, dynamic accountability, which requires ongoing organisational learning, is required (Greiling and Halachmi, 2013). Employees need to learn and know their job functions, the process of giving feedback as well as the superior to report to. Employees also need to unlearn practices that will inhibit accountability. Accountability can be negatively affected by perceived risk and eroding trust (Carmona et al., 2013). To show the importance of accountability, Bono (2009) argued that without accountability there is no opportunity.

Another factor that may influence the extent to which an individual will feel accountable is motivation (Ryan and Deci 2000). Motivation will not only influence the extent to which an individual feels accountable but also the individual's performance. Accountability can also be influenced by perceived importance and feelings of pressure (Deci and Ryan, 2002).

Individuals that have great concern for their jobs and feel that their jobs are important will be accountable and take any job-related work seriously. This boosts their performance, and fosters Firm Growth.

2.3.2.1 Reporting Structure

Closely related to accountability, in terms of giving feedback to a superior, is the reporting structure. This is central to an organisation. The structure is to the organisation as the skeleton is to the human body (Andrews, 2010). Andrews (2010), therefore defines it as the anatomical framework that depicts the distribution of roles or the division of labour and authority within an organisation. According to Fuqua and Newman (2005), an organisational framework is important for a company's entire activity, with analysed patterns of activity grouped into areas such as context influence activities. The context influence activities are further grouped as social influences and structural influences. Accordingly, the structural influences refer to the organisational structure, technology and environment. It was discovered by Dickson and Resick (2006), that managerial practices are influenced by the organisational structure. According to the study, organisational leadership that is adaptive, allowing flexibility is situational and participative and thus favours team development. On the other hand, rigid hierarchical organisations inhibit structured performance and initiative.

Simple structures and adhocracies, as suggested by Schuler and Jackson (2005), seem to be better and more

receptive to transformational leadership (but opposed to the transactional leadership) than the traditional bureaucratic organisations. In an ideal situation, an organisation should be structured to function effectively, allowing its objectives and strategic intents to be actualised (Lado and Wilson, 2004). Bartol et al. (2008) have argued that organisational structure should be conducive and flexible, to allow timely achievement of business objectives, and that an organisation's structure should only be assembled after guiding objectives are formulated (Schermerhorn, 2008). Highlighting the importance of structure, Kinsey (2005) stated that one way to describe a formal organisation is to outline its structure. The structure of an organisation enables the employees to understand the processes that occur within it.

Tahmoore et al. (2013) argued that an organisation can improve its performance and foster growth by modifying its structures and increasing the creativity of its organisational and human resources. In Nigeria, it has been observed that sustainability and survival of firms have become of great concern (Marhemati, 2009). As a result, it was suggested by Marhemati (2009), that to maintain and improve the status quo, organisations should continue the innovation flow in the organisational structure to prevent the organisation's recession and decimation. Organisational creativity and innovation depend on the organisational structure. Creative, well-structured organisations have the ability to solve problems better, faster and take best advantage of opportunities. The adoption of a right structure leads to creativity, which affects the quantity and quality of decisions taken that lead to Organisational Growth and prosperity (Ketabdar, 2008).

Furthermore, organisational reporting structures influence several factors, success, innovation, employee satisfaction and potential firm growth (Williams and McWilliams, 2010). The traditional organisational structure necessitates different functional areas to be departmentalised with each area having specialised employee types, work-activities and specialty (Williams and McWilliams, 2010). This type of structure usually has a hierarchical design with a control and command process implemented within each functional area as well as across the composite divisions and work units.

Ostroff et al. (2003) observed some advantages in such structures, including the facilitation of efficient use of resources, encouraging economies of scales, building of work-force expertise and fashioning of clearly discernible

career paths. There are also disadvantages which include unnecessary slow decision-making processes, uncertain day-to-day performance measures and low responsiveness due to the sequential nature of operations (Bartol et al., 2008).

Many large businesses and government organisations put this traditional, functional design structure in place. Whilst the smaller organisations, such as non-profit, community based or local businesses are not as cumbersome in their structure although an ameliorated form of this classical organisation structure might exist. Pawar and Eastman (1997) argued that structure orientation influences the behaviour of employees. For instance, vertical organisations generate security feelings and social needs. When the number of subordinates is more than necessary, the interpersonal contacts are quite rare and there is a need to delegate authority, which may weaken the labour quality and affect Organisational Growth. The research proved that the need for a formal structure represents the inter- human relationship.

Evans and Wurster (2000) identified formal and informal organisational structures as inter- dependent entities that contribute to the firm's working environment. This interdependence leads to cross-employee relationships. According to Evans and Wurster (2000), the formal organisational structure is determined and understood, while the informal structures are not defined and are therefore difficult to identify. Nevertheless, the ability of workers in an organisation to interact effectively and, share data and information can be enhanced through the existence of a well-formed, but undocumented, informal structure (Chow and Chan 2008; Huberman et al., 2009). Informal structures are a potential conduit that fosters the streamlining of workplace project initiatives, initiates and enhances decision-making, providing support for individual-to-individual exchange of information or knowledge (Martin and Tian 2010; Turban and Volonino 2010).

Organisational structure has been defined as representing the manner of organising people and professions in an organisation, which may encourage or discourage knowledge management (Nasser, 2010). Formal organisational structures and informal networks are interwoven within the working environment of the firm; depicting employee to employee relationship (Mehrabi et al., 2013). Ideally actualisation of organisational goals should entail having appropriate structures that will aid an effective functioning. Behn (2001) has argued that organisational structure should enable business objectives to be readily actualised and that the formulation of

objectives should precede an organisation's structure (Nasser 2010; Banker et al., 2011; Csaszar, 2012).

Organisational structure is also conceptualised as the decision making framework among a group of individuals (Duncan, 2003). The structure of an organisation is therefore not incidental to the organisation but is designed. Furthermore, it was argued that organisational structure may strengthen or weaken performance by furnishing greater or fewer opportunities for growth. Organisational structure can be bureaucratic, which is centralised, or organic, in which case it is decentralised (Daugherty et al., 2011).

In the view of Rahmati et al. (2012), the bureaucratic system is a command, mechanistic structure where people seldom use their initiatives. There are, rather, laid down rules, standards to be strictly adhered to. This is also characterised by a vertical, more formalised, large span of control, showing large inequality with less specialisation. On the other hand, the organic structure may be a diffused one, where people have the freedom to exercise their talents, thereby using their initiatives. This is characterised by a horizontal, decentralised, less formalised span of control, showing less inequality and more specialisation. In an organisation with a decentralised structure, dissemination of information and feedback is fast, which leads to job efficiency, an increase in productivity and sustained competitive advantage fostering growth (Alam, 2011).

Martin and Benneth (1996) argued that organisational structure affects Organisational Citizenship Behaviour which in turn affects growth. It was further argued that for employee's behaviour to be positively affected, organisational justice should be in place. Amir (2012), sharing a parallel view, contended that organisational justice, in this rapidly developing work life, may become an increasingly important issue to both the managers and employees. Employees' reaction to the way they are treated at work and their motivation to respond can be understood by taking into consideration two notions of fairness; distributive justice and procedural justice (Guzz and Noonan, 2004). Mcfarlin and Seeney (1992) conceptualised fairness by stating that, in determination of how fairly employees have been treated, they compare their salaries with that of other employees; that is comparing their ratio of outcomes to inputs with that of others. This is known as distributive justice, and it presents the employees' perceptions about the fairness of managerial decisions relative to the distribution of outcomes. On the other hand, procedural justice describes the fairness of the manner in which the decision-making

process is conducted (Dailey and Kirk, 1992; Lee, 2000; Amir, 2012).

Sharing a parallel view with an earlier definition of organisational structure, Amborse et al. (2007) contended that it is the way responsibilities and authorities are assigned to, and work procedures are carried out by the members of an organisation. Similarly, Moorman (1991) defined organisational structure as the network of relationships and roles existing in an organisation. Lee (2000) echoed these definitions by arguing that organisational structure determines task allocation, reporting deadlines, formal coordination mechanisms and interaction patterns among staff. According to Schmink et al. (2002), organisational structure may influence organisational justice and in turn staff performance and organisational growth.

Ambrose and Schmink (2001) discovered potential relationships between organisational structure, justice perceptions and organisational growth. Memarzadeh and Reza (2010) explored the main effects that the four dimensions of the organisational structure (centralisation, formalisation, size and vertical complexity) might exert. Sheppard (1993) argued that allocation decisions do not take place in a social vacuum, but are embedded within organisational systems that have distinct architectures. The structure of some organisations allows participation while others do not allow such. Daft (2003) observed that justice often results from the formal structure of the organisation. Therefore, the structural dimensions of the organisation can increase or decrease fairness and, in turn, cause a favourable or adverse effect on growth.

Several authors depict different perspectives of reporting structure, as seen previously, although they all have the same focus. The reporting structure, according to Lim et al. (2010), is the formal system of task and reporting relationships that controls, coordinates and motivates employees to cooperate in order to achieve organisational goals. The structural context refers to the different administrative mechanisms which top management can manipulate in order to influence the perceived interests of other strategic employees at the operational and middle levels in the organisation.

Edgar and Alan (2005) asserted that a reporting structure that provides a clear, concise, open and effective channel of communicating new organisational vision and/or strategy presents a powerful influence on Organisational Health. The values and attitudes communicated in the new vision, and reflected by changes in the Organisational Health, influence the competitive advantage and growth of the organisation. Ireland et al.

(2003) assert that organisations that adopt the organic structures are loose and flexible, have decentralised decision processes, encourage participation of organisational members in decision making and have less coercive rules and regulations. An organic reporting structure facilitates change and enables employees to develop their own ideas through participation in organisational decision making (Berardwell and Clayton, 2007; Homans, 2008).

2.3 FIRM GROWTH

In the Conceptual Framework growth is depicted as the dependent element. Growth is as imperative for organisations as it is for the human body and also to the nation's economy (Porter, 2001). According to Porter (2001), Firm Growth in an industrial organisation can be defined by its economic function, and its requirements, such as financial and human resources constitute a collection of resources bound in an administrative framework. According to Covin et al. (2006), an organisation is a collection and arrangement of interdependent parts, each having a special function with respect to the whole. The authors disclosed that the major characteristic which distinguishes organisations from other collective entities is the commitment to achieving employees' goals through the explicit and stable structure of task allocation, roles and responsibilities.

Barringer and Jones (2000) asserted that growth is a change in an organisational size, when the size is measured by organisational membership and change in organisational age. Accordingly, organisational size and age can be measured in comparable units (persons and years) in a business firm. Delmar et al. (2003) observed that growth is not spontaneous, but is the consequence of decisions to employ or disengage, motivate or demotivate, increase or decrease output in response to demand. Delmar et al. (2003) made a distinction between relative growth, which is growth rate in percentage terms, and absolute growth, which is absolute increase in the number of employees. The employees have scheduled and limited numbers of activities.

2.3.1 Importance of Firm Growth

There are potential and significant benefits provided by growing firms; they include job generation, knowledge spill over's, economic multipliers, innovation drivers and cluster developments (Hamilton, 2012). These benefits can be actualised not solely depending on financial metrics alone, but on the non-financials. These are the different dimensions of Organisational Health which are the focus of this study. Concerning the definition of

growth, Hamilton (2012) stated that there is no commonly accepted definition of growth. Individual researchers describe it differently. Growth can be described as the generation of high revenue (Zahra, 2005). Employment growth and size are important performance measures that give insight into the vitality and competitiveness of the organisation (Delmar and Wiklund, 2008).

According to Grandinetti and Furlan (2011) entrepreneurs, especially those of SMEs, are subjected to intense pressure in growth actualisation in order to gain a competitive edge in the global market. In the study, a model that relies on a fundamental assumption was advanced; that is, size growth that represents one type of firm growth which interacts with two other types, namely relationship growth and capability growth. Barringer and Harrison (2000) confirmed that these types of firm growth provided an adequate representation of the actual firm growth processes and determined how these three types interacted overtime, thus enabling Firm Growth. The study revealed that Firm Growth provides fruitful insights for entrepreneurs, since it suggests that the management of the interdependencies between the three types (size growth, relationship growth and capability growth) is the core issue lying at the heart of successful growth strategies. For the growth process to be sustainable, robust and successful, correct anticipation and managing of the interdependencies is necessary (Barringer and Jones, 2004).

Size growth, as defined by Ozcan and Eisenhard (2009) is the broadening of the boundaries of the firm over a period of time. As suggested by Dobbs and Hamilton (2007), size growth may be internal or external. Internal size growth refers to a situation where the firm enlarges its boundaries through investments that increase the size of existing organisational units, or create new production, logistics, commercial units or subsidiaries. External growth refers to a situation where two or more firms merge to become a larger firm, or when one firm acquires the entirety or a share of the equity of another firm.

Holinberg and Cummings (2009) stated that no business or organisation is an island arguing that relationship growth is a specific way to grow. Holinberg and Cummings (2009) defined relationship growth as the increment of the extent to which an organisation or firm uses external resources over a period of time. The external resources refer to the assets (physical and nonphysical) over which the firm has no direct ownership but accesses them through the relationship it has with other firms and organisations. Furthermore, the more

scarce and crucial these resources are for the firm's competitive advantage, the higher the value of the relationship. Sharing a parallel view, Duffy and Blustein (2005) contended that the extent to which external resources grow is as a result of an increase in the number of relationships and an increase in the value of existing relationships. In the first case, the firm extends its value network (the set of relationship the firm uses to get access to external resources) while in the second, the firm keeps its network stable, but evolves its existing relationship towards more valuable configurations.

Capability growth is the development of new capabilities for a firm over a period of time; in which the development can be based either on internal development or on resources already acquired by the firm from the market (Mitchell et al., 2007). Garberg and Fombrun (2006) argued that firm capabilities can be classified into functional, relational and dynamic capabilities. Functional capabilities can be described as the ability to effectively and efficiently perform the core functions (operations, marketing, research and development) and the support functions (human resource management, accounting) of the firm. Relational capability enables the firm to effectively and efficiently use external resources, as in the case of relationship growth. This, therefore, is the ability to successfully manage existing networks of relationships. Examples of relational capabilities are supply chain management and customer relationship management.

Dynamic capabilities, according to Gamero et al. (2008), refer to the firm's ability to effectively and efficiently generate, integrate and reconfigure internal and external resources, to match and subsequently create market change. Dynamic capabilities develop and integrate functional or relational capabilities. The ability to seek and select suitable partners for the firm, co-ordinate complex portfolios of relationships, reconfigure the whole value network of the firm are examples of dynamic capabilities. Acquisition-based capabilities, which represent the ability of the firm to obtain new resources through business acquisitions, can also be interpreted as dynamic capabilities. Dobbs and Hamilton (2007) however, argued that capability growth and size growth are overlapped because as a firm increases its size, it automatically augments its endowment of capabilities

On the contrary, Beekman and Robinson (2004) consider Firm Growth as a one-dimensional phenomenon where the only dimension of Firm Growth is the firm size. Invariably the growth of the firm is the growth of its size. Das and Teng (2000) argued that so long as Firm Growth

is just its size growth, it can be assumed that the process of Firm Growth matches the weight/height growth of a biological organism.

Nevertheless, researches on managerial studies prove the existence of life cycles, and focus on the life cycles of the firm, conceptualised as a sequence of stages of growth (Chatterjee, 2009). A study conducted by Phelps et al. (2007) and Lichtenstein et al. (2007) analysed the stages of Firm Growth. The studies revealed the number and nature of growth stages as well as the drivers of transition from one stage to the next and how the change takes place. Most of the drivers of transition from one stage to another are internal factors, such as management style and organisational structure. As earlier discussed, these internal factors

are the dimensions (non-financial indices) of Organisational Health that determine the growth of SMEs. Camuffo et al. (2008) consider exogenous factors, such as the industry's competitive structure, as crucial drivers of stage transition and Firm Growth. The life cycle stages, as analysed by Phelps et al. (2007) and Lichtenstein et al. (2007), are the start-up stage, the expansion stage, the maturity stage and the diversification stage.

Gastro (2007) discovered that each growth stage is actualised and sustained by a specific rationale in terms of firm strategy, managerial objectives and organisational structure. In ensuring growth, there are different behaviour strategies, which include organisational members' attitude towards change and the evolution of organisational structure managerial skills and talents (hard and soft factor dimensions of Organisational Health on which firm growth is dependent on). Sharing a parallel view, George (2007) observed that some managers understand the importance of remaining competitive to ensure sustainability. According to the author, this understanding further reveal that the use of financial indices alone should not be taken into consideration, but also the social (human factors) and environmental ones (risk/requirement factors). This facilitates the creation of a sustainable organisation and invariably Organisational Health.

Lewis Churchill (2003) developed a model delineating five measures of growth which include existence, survival, success, and take-off and resource maturity. In explaining these measures, Kark and Carmeli (2009) stated that existence is concerned with gathering of customers and delivery of goods or services contracted for. According to Judge (2006) survival is the demonstration of how workable the business entity is;

finding out if there are enough funds for the firm to break even and remain in business. Success is concerned with the ability of the firm owners to make decisions to explore the company's accomplishment and expand or keep the company stable and profitable and therefore provide a base for alternative activities (Knol and Van Ligne, 2009). Ostroff et al. (2003) describe resource maturity as being concerned with advantages that firms have, such as size, financial resources and managerial talent, which become a formidable force in the market if they retain their entrepreneurial spirit.

2.4 ELEMENTS OF FIRM GROWTH

Similar to Organisational Health, with its soft and hard factor dimensions, growth also has its own measures. Lewis Churchill (2003) developed a model delineating five elements of growth which include existence, survival, success, and take-off and resource maturity. For the purpose of this study, two measures of growth are discussed. These are survival and success of the firm.

2.4.1 Survival of Firm

Judge (2006) posited that survival is the demonstration of how workable the business entity is; finding out if there are enough funds for the firm to break even and remain in business. The survival of a firm does not imply simply existing, but existing to achieve organisational set goals and objectives over time, despite technological and organisational changes (Jaja, 2009). This is usually to the admiration of employees and other stake holders. Jaja (2009) also posited that for firms to continue to survive and achieve success, appropriate management practices have to be imbibed. Dobbs and Hamilton (2007) had a parallel view, contending that people management is an essential part of running SMEs and it is critical to the firm's survival. Accordingly, most of the factors affecting SMEs, such as inability to attain growth potentials and increased failure rates, may be directly attributed to the managerial skills of the entrepreneurs.

Ostroff et al. (2003) contended that firm size is important if an organisation is to survive because larger firms are more able to take advantage of the economies of large scale concerning operating costs. The bigger firm entails the likelihood of more divergence of activities, allowing firms to survive and cope more successfully with technological changes and globalisation. Besides size contributing to the survival of the firm, Organ et al. (2006) argued that survival rates for firms that effectively manage their human resource is on the increase. The authors contended that the survival rate is as much as 20 percent higher for firms that effectively and efficiently

manage the number of employees (human resource), infrastructural development and technological advancement.

2.4.2 Success of Firm

Firm success is concerned with the ability of firm owners to take decisions to explore the company's accomplishment and expand or keep the company stable and profitable, therefore providing a base for alternative activities (Knol and Van Ligne, 2009). Dobbs and Hamilton (2007) suggested areas that success can be ascertained in any given organisation. This includes employer's improved workforce alignment, positive employee outcome (value per employee) and customer satisfaction. Collins et al. (2005) defined workplace alignment as having the right people, with the right skills, in the right jobs, at the right time. The authors observed that firms with high levels of work place alignment experience higher performance than firms with lower levels of workforce alignment.

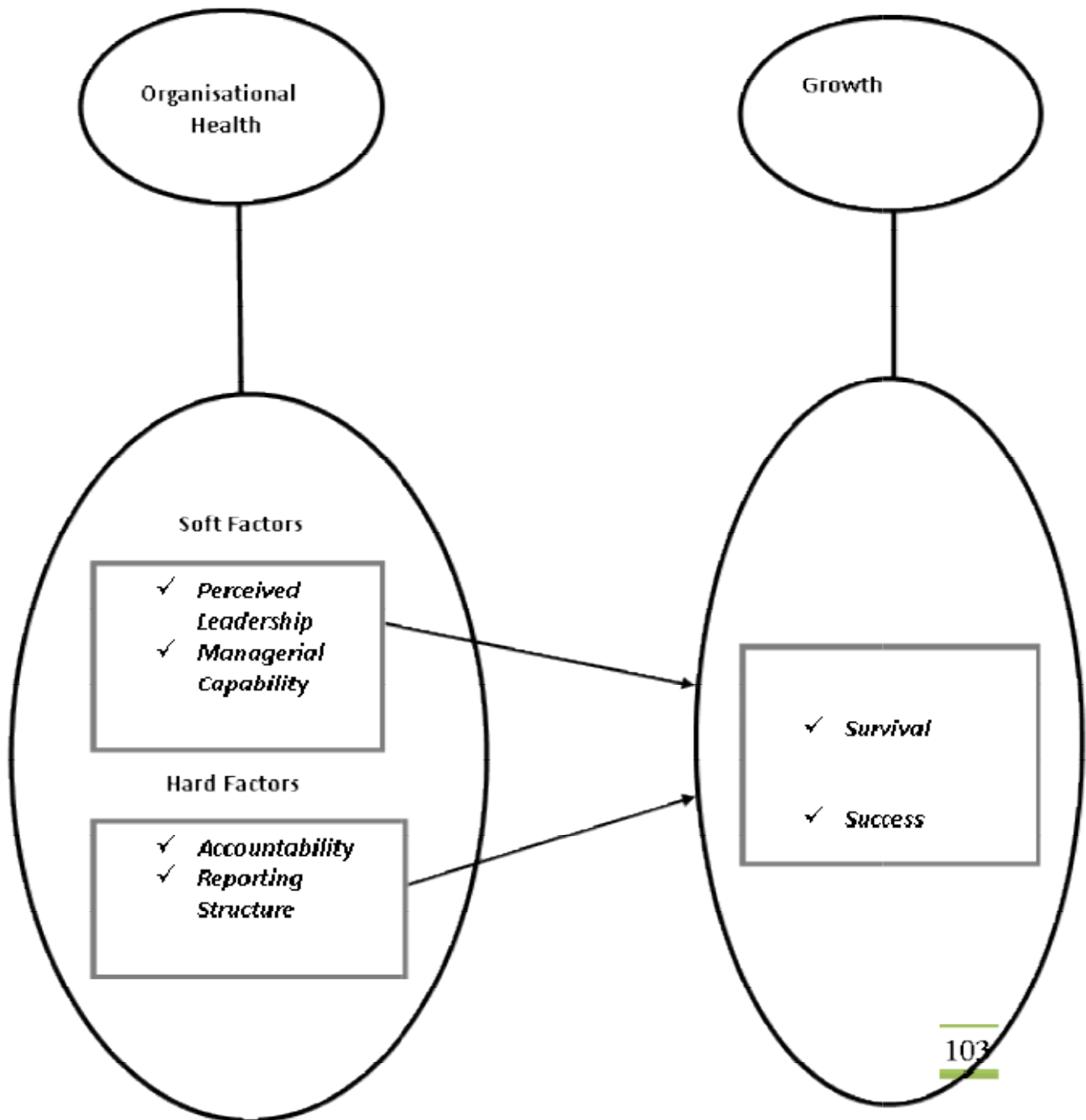
As observed by Dobbs and Hamilton (2007), positive employee outcome results from effective people management and therefore leads to commitment to the firm, trust in management, higher levels of cooperation, effort and involvement, Organisational Citizenship Behaviour (OCB) and lower inclination for employees to leave the firm. Commitment to supervisors, as one of the evidences of positive employee outcome, depicts the employees being happy working with their present leaders. They therefore have a sense of belonging (Dobbs and Hamilton, 2007). Employees with high level of trust in management feel that management has their best interests at heart and are comfortable allowing them to take decisions concerning employees. Consequently, employees work exhibiting high levels of cooperation and support for one another in performing their responsibilities. As regards effort and involvement, employees are committed to fully apply themselves to work, willing to spend extra time and do extra discretionary work (OCB) that is not part of their normal remit. The inclination for employees to leave the organisation is usually low. (Ostroff et al., 2003). Ostroff et al. (2003) contended that the purpose of human resource management practices is to manage

people more effectively. Consequently, it is imperative that the influence of effective human resource management be felt first at the employee level. Jaja (2009) , sharing a parallel view, posited that human resource practices, if effectively adhered to, should directly influence employees. This should result in a number of positive employee outcomes in the firm. The positive employee outcomes in turn lead to higher levels of operational and financial performances. The author described operational performance as any kind of performance resulting from the operations of the business. This includes high quality improved products, new products, service development and customer satisfaction. On the other hand, financial performance refers to performance measures taken directly from the firm's financial statement, such as revenue or profit.

Customer satisfaction can be described as a measure that indicates the extent to which the firm is able to please its customers. While quality describes the standard or degree of excellence of the firm's products compared to others (Organ et al., 2006). New product or service development measures the rate at which the firm deploys new products, services or solutions. Pawar (2009) contended that organisations which foster high levels of commitment to supervisors, (trust in management, cooperation among employees, reduced employee turnover) are more likely to experience higher levels of customer satisfaction and growth. Such organisations are also more likely to produce high quality products and services. Parallel to the observation of Dobbs and Hamilton (2007), Podsakoff et al. (2009)

asserted that the success of a firm can be ascertained through total quality management (TQM), Just-In-Time Delivery(JITD), stake holder (customer and employee) satisfaction and competitive position. The key constructs of this study, Organisational Health and Firm Growth, the dimensions of Organisational Health, perceived leadership and managerial capability (the soft factors); accountability and reporting structure (the hard factors) and the measures of growth survival and success have been discussed conceptually. The aforementioned are depicted in a conceptual frame work of this study as shown in Figure 2.9.

Figure 2.9: Conceptual Framework for a Phenomenological Evaluation of Organisational Health and Growth of SMEs in Nigeria.



2.5 EMPIRICAL LITERATURE

Having discussed the Conceptual and Theoretical Literatures previously, it is needful to also discuss the Empirical Literature. The Empirical Literature, which is the core of the literature review analyses of the works of other authors, by doing a systematic review of literature in the context of this study on a phenomenological evaluation of Organisational Health and Growth of SMEs in Nigeria. The empirical review of literature is listed under the following four sections and depicted in Figure 2.10.

- Perceived leadership and growth

- Managerial capability and growth
- Accountability and growth
- Reporting structure and growth

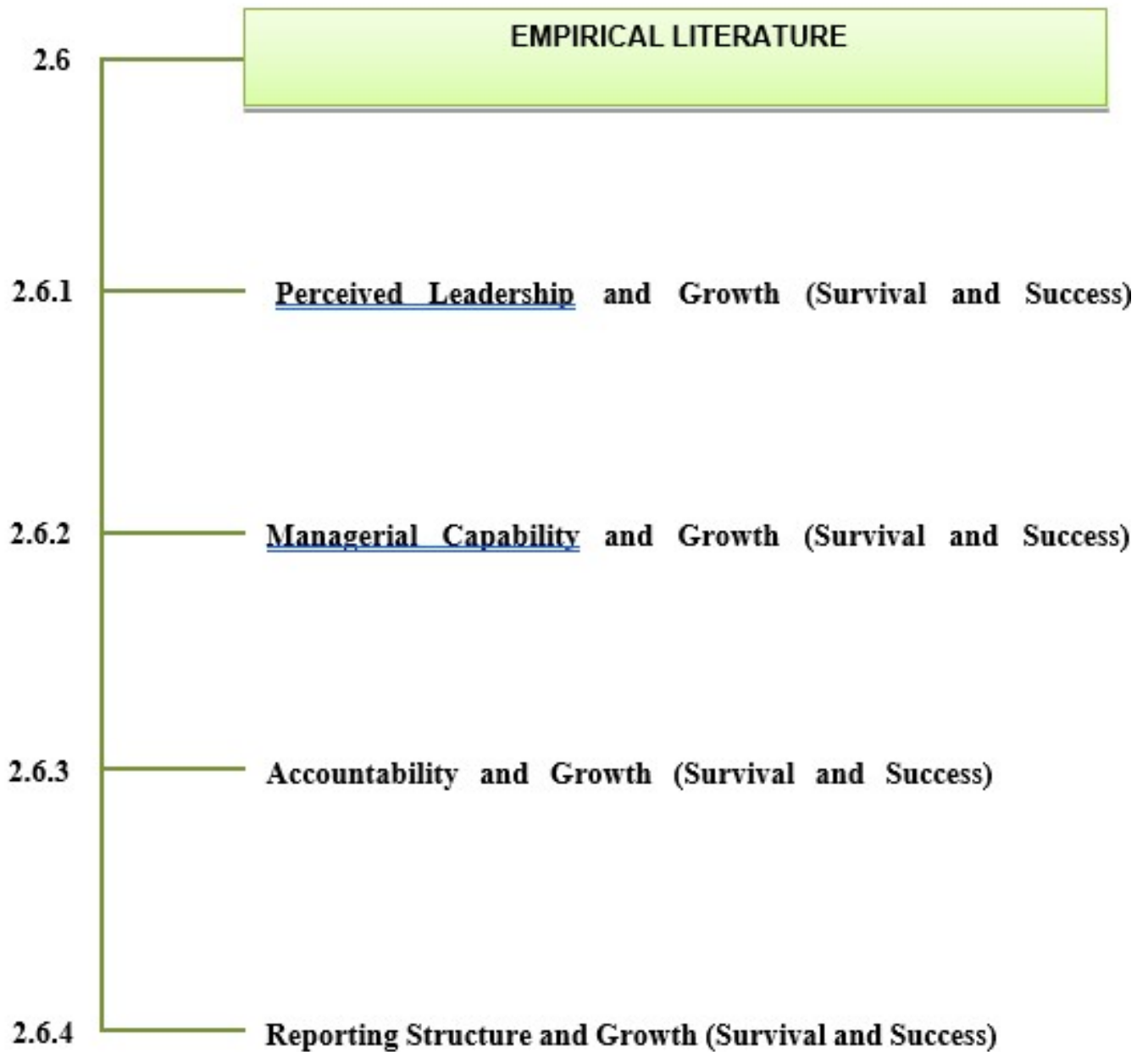


Figure2.10 Diagrammatic Representation of the Empirical Literature and its sections

Table 2.19. Systematic Review of Literature Table

S/No	Author	Topic	Place	Methodology	Limitation	Future Research
1	Eleni, et al. (2011)	Entrepreneurship in the context of crisis: Identifying barriers and proposing strategies	Spain	Qualitative study using Case Study	Researches on SMEs response to economic recession are limited.	Problems experienced by SMEs are a combination of elements not necessarily related to financial crisis. Policy makers should address other factors that will affect the survival and growth of SMEs.
2.	Keller, S. and Price, C. (2011a)	What Matters Most	London	Quantitative	Need to use other research methodology.	What is the right combination of organisational ingredients in form of management practices required to support performance?
3.	Keller, S. and Price, C. (2011b)	Organisational Health: The ultimate competitive advantage.	Southern California	Quantitative with the use of survey	Need for in-depth interviews.	
4.	Amabile, (2009)	Motivating Creativity in organisations: On doing what you love and loving what you do.	California	Qualitative using case study.	Time constraint.	Comparison between organisations that apply creative management techniques and those that do not.
5.	Hamdia and Phadet (2011)	Improvement of HRM practices since HRM are considered a major contributory factor for High organisational performance.	Bangladesh	Quantitative with the use of questionnaires	Inability to collect data from banks due to confidentiality.	More intense research in this sector because it is booming in Bangladesh and responsible for the profitability of organisations.
6.	Jaja, (2009)	Analysis of business opportunities and entrepreneurial success in Nigeria.	Nigeria	Exploratory study	Mono methodology	Research on risk factors involved.
7	Muhammed et al. (2011)	The relationship of performance with soft factors and quality	Nigeria	Quantitative using questionnaire		

		improvement.				
8.	Ofoegbu O.and Akani, P.(2012)	The influence of strategic agility on the perceived performance of manufacturing firms in Nigeria.	Nigeria	Quantitative using questionnaires	Use of only quantitative method.	Other sectors should be considered.
9	Adebayo and Nwachukwu (2008)	Conscientiousness and perceived organisational support as predictors of employee absenteeism	Nigeria	Quantitative using questionnaire	Absence of in- depth interviews	Influence of other salient variables like the human resource practices, job characteristics and work related stress should be examined to see the effects on employee absenteeism.
10	Ahiauзу (2010)	Marketing in governance: Emotional intelligence leadership for effective corporate governance.	Nigeria	Descriptive study	Absence of empirical analysis.	Empirically access the extent to which these emotional intelligent dimensions influence managerial competence in diverse cultures.
11	Julie et al. (2012)	Change agents, networks and institutions: A Contingency Theory of organisational change.	United Kingdom	Quantitative and Qualitative	Constructing a sizable sample of observations in the domain of change posed an empirical challenge.	Having analysis with fully validated ego-network data. The time structure of the data can also be further enriched.

In reviewing literature empirically, it is necessary to bring to bear the aim of this study. This is to phenomenologically evaluate the interpretation of the non-financial dimensions (soft factors-perceived leadership and managerial capability; hard factors accountability and reporting structure) of Organisational Health, in relation to the non-financial measures of growth (survival and success) in the Nigerian context. To accomplish this, the aforementioned dimensions and their influences on growth, as identified in published related literature, have been discussed in this section on Empirical Literature.

2.6.1 Perceived Leadership and Growth

Every employer wants to improve organisational performance, maintain Organisational Health and actualise Firm Growth, but in most SMEs in Nigeria this is usually not the case (Barney, 2010). Barney (2010) posited that some SMEs start up well and; have competitive advantage for a while, after which the organisation starts experiencing dwindling growth with the passage of time. Lending support to Barney (2010), Amabile (2009) observed that this may be caused by over reliance solely upon financial indices, which sometimes leads to crisis in the organisation. Amabile (2009) further contended that crisis situations enable leaders to show their leadership qualities. Parallel to this are the findings by Bonardi and Keim (2005) that crisis situations bring to bear the negative or problematic nature of difficult events. The authors argued that crisis can be seen as a state of acute distress wherein one's (an organisation's) usual coping mechanisms fail in the face of a perceived challenge or threat, which results in some degree of functional impairment. The potentially adverse nature of crisis may not be permanent but instead involve a temporary loss of coping abilities; the assumption is that the dysfunction is reversible (Bonardi and Keim, 2005). Accordingly, the organisation has to effectively cope with the threat imposed by the crisis situation to return to prior levels of functioning. To cope with the threat imposed by the crisis situation, leadership qualities and styles already discussed in the Conceptual Literature are apt. The leadership qualities/styles are evaluated in this study to understand the perceived leadership and its influence on the survival and success of manufacturing SMEs in the Nigerian context.

Leadership is one of the key factors associated with the success or failure of an organisation (Teme, 2013). Teme (2013) argued that leadership is all about interaction with people to improve their performance, give them enough strength to keep them motivated and help them

realise their potential to achieve Firm Growth. Avey et al. (2008) attributed the failure of most Nigerian SMEs to poor leadership, asserting that as a result of poor leadership, employees' opinion concerning leadership is hardly favourable. The authors discovered that in most organisations in Nigeria, the relationship between the leaders and subordinates is hardly cordial. Hamdia and Phadet (2011) observed that this strained relationship between leaders and subordinates, which is due to poor leadership, jeopardises interaction, motivation and growth.

The observation by Hamdia and Phadet (2011) is not in consonance with what leadership ought to be. Leadership, as described by Borg and Guzman (2010), is the ability to inspire and influence willing and conscious followership; encouraging followers have a positive perception of the leadership style and, in turn, influence Firm Growth positively. Kavanagh and Ashkanasy (2006) also emphasised the need to encourage positive leadership in order to positively affect the perception of employees. When the perceived leadership is positive, growth is inevitable because employees will improve performance (Jaja, 2009).

Avey et al. (2010) contended that a negative perception of leadership by subordinates may be a result of the wrong choice of leadership styles by their managers, causing an inability to inspire and motivate subordinates to work. The authors therefore advised leaders to always adopt appropriate leadership style to enhance Organisational Growth. This was further confirmed by Bennis (2000), who stated that the behaviour of a leader affects the successful functioning and operation of an organisation which in turn affects the perception of the followers on the leadership quality and, ultimately, Organisational Growth. To achieve Organisational Growth, Bass and Riggio (2006) suggested that leaders should provide rewards, related to performance, treat employees equitably, inspire them to commit themselves to common goals, challenge them to solve problems innovatively and as coaches/mentors, provide them with both intellectual challenges and support.

Sosik and Godshalk (2000) further argued that through inspiration and vision a leader can influence followers and their understanding of problem situations; Providing the enabling environment to see stressful situations from a positive point of view and believe in their positive resolution to foster Firm Growth. Schein (2006) agreed with Sosik and Godshalk (2000), but added that the positive leadership perception that fosters growth is likely possible only if leaders live up to expectation. For this

reason, Lyons and Schneider (2009) suggested effective strategies for problem resolution, seeking help, communicating feelings, taking rational actions, drawing strength from adversity, using humour, maintaining faith, having self-confidence and feelings of control.

There are other possible factors that affect the perceived leadership of employees and ultimately affect Firm Growth, as suggested by Erarslan (2005). These include directing and inspiring people, forming teams, communication among team members, setting an example and frequent interaction with employees. In conformity with the assertion of Erarslan (2005), Avolio and Luthans (2006) suggested that leaders in Nigerian SMEs should ensure that their employees have a positive perception of their leadership abilities by inspiring and carrying them along in day to day business activities. This, according to the authors, goes a long way in positively influencing the survival and success of the organisation.

The style of leadership existing in an organisation influences employees, either positively or negatively, depending on the employees' perception of the leadership behaviours (Lin and Chen, 2010; Turksoy, 2010). This either makes or mars the organisation in terms of Organisational Growth (survival and success). In support of the factors affecting leadership perception of employees, Sari (2010) revealed that a major component of the success of an organisation is effective communication among team members.

Communication, which is a purposeful process in an organisation, aims to affect the behaviours of employees, thereby disallowing a disconnection between the employer and employees (Celikkaleli, 2004). In disallowing this disconnection between employers and employees, Sheldon (2006) stated that the satisfaction of the basic psychological needs of employees, which include the need for relatedness, competence and autonomy, plays a vital role in the well-being of the employees, and in turn the organisation. This is in consonance with the Self Determination Theory. In this sense, being part of, and feeling attached to the organisational team may lead to increased growth. AKpeti (2012) observed that positively perceiving the organisational leadership abilities results in increased competence, while making choices independently and taking part in decision-making processes enhances Organisational Growth.

As already established by Sosik and Godshalk (2000), the transformational leader is distinguished by a high level of mentor type behaviours which enables the leader to

obtain the trust/confidence of the subordinates, become a model for them and a source of influence on them. This allows employees to accept responsibilities towards the vision and objectives of the transformational leader in conformity with the organisational goals. This triggers greater sense of responsibility among employees and, when internalised over time, becomes part of them even when faced with stressful situations (Bakker and Schanfeld, 2008).

Similarly, results from Bass and Bass (2008) reveal that employees, in relation to perceived transformational leadership style, rarely use the strategy of escape/avoidance but face problem situations as they arise, giving positive orientation towards the future. This ability of the employees is attributed to the transformational leadership style that yields a positive perception of the employees on the leadership, which in turn yields the desired Firm growth. In line with this, Loi et al. (2006), in their quantitative study examining the impact of transformational leadership style on Firm Growth, suggested that leaders in Nigerian SMEs should imbibe transformational leadership qualities in order to positively influence employees' leadership perception and sustain competitive advantage and growth. However, this study is a qualitative study, inductively evaluating the leadership perception of employees and the influence it has on the survival and success of SMEs in Nigeria.

Organisational commitment is another factor that influences perceived leadership and in turn enhances Firm Growth (Zhang et al., 2014). Organisational commitment, as described by Avolio et al. (2004), is the relative strength of an individual's identification with, and involvement in, a particular organisation's activities. According to Judge and Colquitt (2004), justice and fairness, which affect organisational commitment, are key concerns to employees who determine whether or not the rewards they receive match their contributions to the organisation. Employees' perception of workplace fairness, in respect of the leadership, is an organisational variable that may be related to a high level of organisational commitment (Walumba and Lawler, 2003).

Lemons and Jones (2001) proposed that perceived employer fairness by employees leads to a high level of organisational commitment because a social relationship develops between employers and employees. This relationship increases organisational commitment and fosters Firm Growth. The core of Social Exchange Theory, as postulated by Law and Shi (2004), is the principle of reciprocity, which states that if employers

treat employees fairly,

the employees will respond with behaviours that are conducive and propel organisational goals; using their positive working attitude and behaviour (necessitated by their perceptions) as a social exchange.

Trust a psychological state consisting of the intention to accept vulnerability based on positive expectations of the behaviour of another (Rousseau et al., 1998) is another factor that determines the perception of leadership by employees, and which in turn affects growth. The belief of employees that organisational leadership has beneficial intentions towards them and would not do things against them (Yang, 2005) underlies employees' trust in organisational leadership. Yang (2005) identified two types of trust, cognitive and affective. Keimer and Wayne (2004) described cognitive trust in organisational leadership as being dependent on the leadership's competence, expertise, ability and intelligence, which arise from employees' knowledge about leadership and the treatments received from the leadership in times past.

On the other hand, affective trust is essentially symbolic, derived from employees' beliefs of what leadership signifies and the feelings associated with such beliefs. In developing countries like Nigeria, affective trust in organisational leadership seems to be more important (Dick and Ferrin, 2002). Trust is the framework on which mutual expectations are based and, therefore, employee trust in organisational leadership is crucial if competitive advantage is to be sustained and growth fostered (Cunha and Cooper, 2002). Again this phenomenological study reveals the influence that perceived leadership of employees has on employee commitment, which in turn influences the survival and success of SMEs in Nigeria.

Nwagbara (2011) argued that without shared leadership, organisations experience high labour turnover. The study revealed that shared leadership is a collaborative, participatory leadership that takes employees' views and interests into consideration in the decision-making and leadership process. Labour turnover, as revealed by Ishak (2005), is the movement of people (employees) into and out of organisations. Pearce and Conger (2003) argued that the concept of labour turnover, which is the rate at which employers gain and lose employees in an organisation, is crucial. The study proved that labour turnover is significant and has a far reaching effect on the labour market. According to Muntaner et al. (2003), organisations globally place high premium on labour turnover which affects both employees and employers. Researchers have proved that organisations require human resources to function effectively and therefore, a

high rate of labour turnover may not yield the improved performance that fosters Firm Growth (Wermeling, 2009). James et al. (2011) observed that high rate of labour turnover is a trend in most Nigerian SMEs due to poor leadership and unfavourable working conditions.

Parallel to the observation by James et al. (2011), Wermeling (2009) argued that if the interests and opinions of employees are not considered by leadership in the organisational decision-making process, they begin to feel disenchanted and alienated from the organisation's leadership which in the final analysis causes them to leave for greener pastures. This is not in consonance with what Nwagbara (2011) termed as shared leadership. This (absence of shared leadership and existence of high employee turnover) is a major challenge in Nigerian SMEs, as observed by Mattin et al. (2010), whose study revealed the perception of employees on shared leadership and its influence on the survival and success of SMEs in Nigeria. In the view of Shalley and Gilson (2004), a feeling of disenchantment and alienation by employees affects their perception of the organisational leadership, which in turn negatively affects Firm Growth. To retain employees and create an enabling environment that improves perception of leadership and fosters growth, Zlotnic et al. (2005) supported the principle of shared leadership. In the study it was argued that without shared leadership, organisations are faced with challenges of high labour turnover as employees tend to leave an organisation where their views and welfare are not being taken into consideration. This adversely affects Organisational Growth.

Sharing a parallel view, Burnes (2004) stated that labour turnover is a correlate of human resource management. In the study, it was proved that without properly harnessing and cultivating human resources, to ignite positive perception about the leadership, organisations could barely grow or have competitive edge in the competitive business environment of today. It is to this end that Beardwell et al. (2004) argued that human resource management generates the ability to attract and retain talented employees, which is the single most reliable forecaster of overall organisational excellence and increased productivity.

However, when an organisation's leadership structure is not inclusive and distributed, it creates a negative perception of leadership and the work environment. This makes it extremely difficult for employees to remain in such organisations since their welfare, interests, and opinions are not taken into consideration in the leadership process (Armstrong, 2009). This is crucially important in

determining the level of labour turnover, and in turn, growth of the organisation (Purcell et al., 2003). Researchers have empirically demonstrated that there is a strong correlation between leadership, labour turnover and Firm Growth (Storey 2001).

Having thoroughly reviewed the literature of scholars outside Nigeria, it is necessary to review the literature of scholars within Nigeria, since the SMEs in Nigeria are the focal point of this thesis. Drawing from the definition of leadership by Mullen and Kelloway (2010), leadership is the process whereby one or more individuals succeed in influencing the behaviour of others, therefore defining their realities. Considering the fact that a leader influences the behaviour of the followers, it then implies that the perception and subsequent behaviour of the followers matter. Perception is an individual's interpretation of the external stimuli; the meaning the individual gives to persons, objects, ideas and events (Ahiauzu, 2010).

Employees in most Nigerian organisations seem to negate the influence of their managers because they perceive that most of their managers are parasitic in nature, not seeking the overall interest of the organisation but their own selfish interest (Testa, 2009). As a result, it may be difficult to succeed in influencing such employees to work effectively and efficiently to actualise organisational goals. When this happens, performance is negatively affected with growth on the decline. Adebayo and Nwabuoku (2008) observed that in most organisations in Nigeria, the prevailing act is known as "eye service". This is a situation where staff including managers, work only when they are being monitored and at other times they rest on their oars. The authors therefore asserted that it is difficult for leaders to influence followers to work when the leaders are not working.

Dalal (2005) discovered that employees perceive most leaders to be nonchalant, not mindful of organisational gains but individual gains. This accounts for managers who become only interested in promotions and appointments neglecting the overall health of the organisation. To achieve promotions, some leaders go to the extent of marginalising subordinates to achieve their own selfish ambitions. This, according to Cardona et al. (2004), may erode competitive advantages and result in business failure. The authors identified a situation in many Nigerian SMEs where leaders are termed "false leaders" by employees. It therefore becomes difficult for the behaviours of such employees to be influenced by their leaders for optimum services and desired growth.

Graham and Van (2006) further discovered that leaders may proffer solutions to problems but can neither initiate nor effect implementation. What they do is simply seen as an academic exercise that makes no impact on the health of the organisation due to lack of implementation. Griffin et al. (2007) asserted that employees, who are influenced by what they see their leaders do, subsequently do not work in situations where the leaders are not working. Jong and Hartog (2010) contended that if the managers in Nigerian organisations are good at implementation, and not just decision making, complains and criticisms, growth acceleration will be certain.

Referring to Tanveer (2010), the success of a leader is not only tied to how the leader's role is defined and performed but also to how it is perceived by those around the leader. In most Nigerian organisations, it has been observed that leaders do not really bother about the perception of the employees (Nge and Van, 2005). According to the authors, the leaders are usually concerned about their jobs and selfish gains forgetting that the perception of those being led can either make or mar Organisational Health.

Turnispeed and Rassuli (2005) therefore suggested that leaders should endeavour to get feedback from employees to understand the perception of the employees as regards the Organisational Leadership. This leads to an identification of the strengths and weaknesses of the leaders; building reinforcing the strengths, improving areas of weakness, enhancing performance and fostering growth. Tanveer (2010) further argued that in organisations, the role of a leader is often defined in terms of the function of the leader. In the study, it was revealed that there is always uncertainty in the perception of the leader's role. This uncertainty is predominantly observed in the perception of the role by those around the leader, in particular the people that are led by the leader in question.

Sharing a parallel view, Ahiauzu (2010) further contended that perceived leadership is the extent to which followers believe in and are inspired by their leaders, although this situation is rarely found in Nigerian SMEs. In other words, leadership connotes the ability to inspire and influence willing and conscious followership. Shalley et al. (2004) posited that as a result of the nonchalant attitude of leaders, subordinates are hardly inspired and this has a detrimental effect on the behaviour of the employees towards actualising organisational goals. Most leaders in Nigerian organisations even victimise subordinates to achieve selfish ambitions (Vigoda, 2007). In such organisations, employees are hardly inspired to

work in sustaining competitive advantage. It has also been observed that in some Nigerian organisations, leaders grow to the top not through hard work but through who they are connected to (Marvel et al., 2007). This is described by the scholars as “man knows man or having godfathers”. In this case the leader occupies a managerial position ill-equipped to deal with the technical knowhow of the job. This often results in the subordinates having to train the supposed leader on the job.

Morgan and Berthon (2008) posited that subordinates in a situation like this lose confidence in the leader and have a negative perception of the leadership. The authors therefore advised that managers should grow through the rank and file, knowing the job, understanding its rudiments and being fully equipped to disseminate acquired knowledge whilst working to actualise organisational goals. They added that an individual cannot give what they do not have. In line with this, Morgan et al. (2004) contended that a leader that has nothing to offer subordinates negatively affects the perception of the subordinates.

Referring to another definition of leadership by Wang (2008), leadership is about interaction with people to improve their performance, give them enough support to keep them motivated and help them realise their potentials. Amabile (2009) observed that in some Nigerian organisations, there are leaders who interact with people to improve their performance; however they often fail to provide resources to motivate these subordinates (Amabile.2009). Amabile (2009) further discovered that in some Nigerian firms, leaders, though interacting with employees, do not want the subordinates to realise their potentials for the singular

reason that they may become future rivals. This is not a healthy situation because it hinders succession planning which impedes sustainability and competitive advantage. Arthur (2004) argued that to positively affect the perception of followers and ignite growth, a leader should be prepared to accept others' views as valid, be open to feedbacks and work to improve attitudinal problems. Leadership is seen to be connecting what someone does with who the person is to the followers; therefore one is not a leader without followers.

Parallel to this assertion by Arthur (2004), Barlett (2011) observed that in some Nigerian organisations, people assume leadership positions without having followers because there may be people working under the leader but a willing and conscious followership is lacking. In such a situation, one can say that there is no leadership,

referring to the definition by Ahiauzu (2010) which describes leadership as the ability to inspire and influence willing and conscious followership. Leaders are therefore advised to not only ‘talk the talk’ but ‘work the work’ and lead by example. Leadership is having a vision, a clear sense of direction, aligning subordinates to it and helping them cope with changes. Leadership promotes transformation, drives change and is a process through which people bring forth the best from themselves and others (Tan and Nasurudin, 2011). This can be said to be true among some leaders in Nigerian organisations.

It was observed by Bennis and Townsent (2010) that leaders in Nigerian SMEs traditionally adhere to one form of leadership style, which is autocratic leadership. This, according to the author, may negatively affect the perception of employees about their leadership. This style of leadership is centred mostly on the task (task-oriented) and not employees' welfare (human or relationship oriented) which is not motivational to employees. Contrary to this, Blackand Lynch (2004); Ehart (2007) and Barney (2010) contended that leaders in some Nigerian organisations stick to the human oriented leadership style, which often leads to theneglect of the tasks to be accomplished and so negatively affects performance and adversely impacts on growth.

However, the findings of this interpretive and constructivist study inductively reveal if the leaders in the Nigerian SMEs actually stick to one form of leadership, and the resultant influence it has on the survival and success of SMEs. It further reveals the resultant influences of being a task or human oriented leader respectively on the survival and success of the Nigerian SMEs.

Dessler (2009) contended that leadership seeks to meet the genuine needs and expectations of the followers by performing required functions. Leadership is situational, that is, it depends largely on the demands of the task. Leadership style, therefore changes from group to group, situation to situation and from organisation to organisation. Supporting this view is the assertion by Boselie et al. (2010), that leadership involves inters-relationship among three elements; the qualities, skills and needs of the leader; the needs and expectations of the followers and the demands or requirements of the prevailing situation. These inter-relationships suggest that no one style of leadership serves best for all situations. The best style is the one most appropriate in a given situation, which positively affects the perception of the leadership by the followers and in turn increases performance and growth.

Bonardi et al. (2005) posited that the task-oriented leader is concerned with the accomplishment of tasks to achieve organisational goals, while the human-oriented leader is concerned with the maintenance of the employees. Organisational management needs an awareness of both parts. This necessitates striking a balance between them; not overemphasising one against the other (Mbachu, 2011). Mbachu (2011) cautioned that to

overemphasise the task results in short-term effectiveness and longer-range human

problems. Short-term effectiveness may not ensure Organisational Health that is concerned with having a long-term competitive advantage (today and in future). Overemphasis on maintenance, or human relationships, results in employees so engulfed in their feelings and welfare that they forget their task. This also may not ensure that Organisational Health fosters Firm Growth.

As the modern Nigerian workplace becomes more sophisticated, management is preoccupied with the problem of solving work and non-work related problems (Baridam, 2002; Nwachukwu, 2006 and Adebayo and Nwabuoku, 2008). This is because organisations are made up of humans and the inanimate factors of production. This duality notwithstanding, it should be emphasised that it is the human beings that breathe life into the organisation. This is achieved through their contributions towards the realisation of organisational goals (Organ et al., 2006).

Human beings are the greatest single asset to contrast or expand inputs towards the achievement of organisational goals (Organ et al., 2006). The human resources have adequate and differentiated competencies which enables the accomplishment of organisational goals. In reciprocation, these human resources with their different behaviours, goals and aspirations, expect a high level of motivation from the organisation. This suggests that these dual objectives should be met through the collaborative efforts of superiors and subordinates in organisations. Consequently, Blasi and Douglas (2006) argued that leaders alone may not achieve sustainable Organisational Health and growth. To this effect, to affect leadership perception positively, the authors suggested that leaders should carry along subordinates in the accomplishment of organisational goals. This confirms what Jaja and Nwuche (2010) referred to as Organizational Coupling.

Organizational Coupling is the unique interaction that exists between employers and employees to achieve organisational goals (Jaja and Nwuche, 2010). With the dynamic nature of the organisational environment

characterised by rapid changes and intense global competition, it is expected that appropriate networks of relationships continue to feature prominently in the study and realisation of Organisational Health (Bowler and Bass, 2006). Agarwal (2011) asserts that social interaction at the workplace promotes enhanced collaboration, higher Meta recognition and better planning, where each person feels included with better understanding of common values and goals. To reciprocate high relationships, it is likely that subordinates will go beyond required in-role behaviours. It is a known fact that in any organisation people are the most important entities within the work place. Yet Henle (2005) asserts that most organisations in Nigeria today give only verbal support to the principle that people are their most important asset. This claim does not translate into changed management practices and, therefore, Organisational Health is adversely affected and growth is impeded.

Jaja and Okwandu (2006) suggested that organisations should ensure Organisational Coupling to motivate employees to take responsibility as if they were the owners of the firm. The authors further argued that every employee has a wide range of discretionary efforts that are totally within their power to contribute or withhold. The driving force is to trigger those efforts that contribute to organisational performance. Levy and Egan (2003) see this as the desire of successful employers in their employees. The authors therefore argued that greater effort and enthusiasm from workers would elicit this contributory action. It is a largely established fact that an individual (a leader) cannot make all the decisions for the effective functioning of the organisation (Asgari et al., 2008). This is confirmed by Amar (2004), who asserts that organisations are social entities that are goal directed, with deliberately structured and relatively identifiable boundaries. This involves human beings who interact with each other on continuous basis for the attainment of both organisational and organisational member goals.

Luthans (2008) argued that although organisation – member status might change relatively, the interactions are continuous as long as the organisations exist. This social exchange develops the organisation's capacity to share and utilise resources to improve the organisation's survival and stand beyond competitors (Hagel and Brown, 2005). In line with this, Kushuluvan (2003) asserts that recognising and improving employees' talents and potentials is critical to ensuring that the many roles and functions of an organisation are achieved effectively.

Researchers have observed that employees who work

with transformational leaders feel more motivated, comfortable and empowered to carry out the activities required for successful task accomplishment (Avolio et al., 1999; Walumbwa et al., 2004). Empirical researches have supported the link between transformational leadership and perceived organisational justice (Bass, 1999; Pillai et al., 1999). Research further shows that perceived organisational justice can increase employees' organisational commitment (Lowe and Vodanovich, 1995). This suggests that perceived organisational justice may mediate the effect of transformational leadership on the organisational commitment which in turn affects the perception of leadership by employees and increases growth.

Another significant area affected by the perception of leadership by employees is sustainability (Meyer and Herseovitch, 2006). It is a common occurrence in Nigerian SMEs that successors in leadership positions do not continue already established projects by predecessors (Mowday, 2003). Each leader comes in with series of individual projects, thereby leaving abandoned, incomplete projects, which negatively impacts on both the employees and the organisation. This, according to the author, also negates sustainability,

negatively impacts on the perception of leadership by subordinates and inhibits growth. Pfeffer and Veiga (2003) argued that employees are happier working in an environment with fewer incomplete projects than one with numerous uncompleted projects. They therefore suggested that succeeding leaders should strive to complete existing projects before embarking on new ones. This ensures sustainability, affects employee perception of leadership and ultimately impacts positively on growth.

Ogovie (2006) argued that sustainability should also be encouraged in the area of organisational ethics and that this should be geared towards positively influencing the perception of leadership and Organizational Growth. Furthermore a leader should be collaborative, competent and dynamic, cutting off the excesses that impede on the organisational leadership and the followers' leadership perception.

From the foregoing, it is evident that perceived leadership, as a dimension of Organisational Health, is crucial to the actualisation of Firm Growth but that this has not been the case with SMEs in Nigeria. In relation to perceived leadership, the literature has emphasised that Transformational and visionary leadership also initiates positive perception on the part of the employees and so fosters Firm Growth. Besides perceived leadership, other

non-financial indices, in the form of HR practices that foster growth, were also identified. These include Organisational Coupling, commitment, justice, trust, shared leadership, provision of rewards and incentives, being inspirational, innovation, succession planning and avoidance of labour turnover. The next non-financial soft factor dimension of Organisational Health to be discussed is Managerial Capability.

2.6.2. Managerial Capability and Growth

Organisations are faced with challenges that hinder or truncate their growth. These challenges are warning signs of trouble ahead (Davidson, 2009). These challenges, as argued by Davidson (2009), include the emergence of reduction of working capital, lost values on the part of employees and poor, overloaded information systems which leave the administration of the company in disarray. If nothing is done, a one-time fast-growing company can crash spectacularly. Sharing a parallel view, Almus (2004) argued that all rapidly or moderately growing companies face critical transition points in their life cycle. These need to be recognised, confronted and managed successfully in order to move on to the next phase of growth.

To overcome the above challenges, organisations need the insight and management capability already in place to recognise that their companies are encountering critical growth transition problems. In this way they are better placed to successfully manage their way through these crisis points and keep their businesses on track for future growth continuity(Argote and Ingram, 2000; Amaral et al., 2001). In recognising the challenges and proffering solutions, Amaral et al. (2001) suggested that the organisation's structure and management needs may have to be reviewed, a governance advisory board established, managers with professional management skills appointed, proper strategic and business planning systems established and information and communication systems upgraded.

Nelson (2006), in agreement with Amaral et al. (2001), posited that the management skills should be such that they establish a clear sense of direction as regards the organisational vision, aligning employees to the actualisation of that vision, motivating and inspiring the employees to perform and produce changes as the need arises. The issue of change, as highlighted by Nelson (2006), was given credence by Okurame (2009) in the assertion that

another area in which managerial capability is of great necessity is change. This is due to the operational reality

of contemporary organisations being under the pressure of escalating domestic and international competition, market shrinkage and swift advancement in information technology.

This study considers the phenomenological evaluation of Organisational Health and growth of SMEs in Nigeria. In inductively evaluating the dimensions of Organisational Health, of which managerial capability is inclusive, this study reveals the perception of employees as regards managerial capabilities, inclusive of change, in relation to its influence on the survival and success of SMEs.

The influence of managerial capability as one of the dimensions of Organisational Health on growth entails organisational leadership that has the capability to influence employees' perception of change; nevertheless the perception of change as being either necessary to be effected or as a hindrance to be avoided, depends on the managerial capabilities of senior executives and line managers during transformational processes (Cummings and Worley, 2001). In conformity with the assertion by Cummings and Worley (2001), Zheng et al. (2010) added that organisational leadership has to skilfully apply managerial capabilities and, map out each step during three interconnected stages, in order to bring about change that will positively influence Firm Growth. Firstly the organisational leadership has to conceptualise the new strategic course; secondly it has to motivate the organisational employees by expressing passion and optimism; thirdly it has to effectively and efficiently distribute all the resources needed to facilitate the change process of transformation. This is in line with the AMO theory, which is hinged on giving employees the ability to perform, the motivation to perform and the opportunity to perform.

Ofeogbu and Akanbi (2012) observed that although the change process of transformation is good, and should be encouraged in organisations due to its positive effects on Firm Growth,

such change processes are faced with stiff resistance and oppositions in most Nigerian SMEs. Nevertheless, Bass and Riggio (2006) contended that with managerial capabilities, employers and leaders should develop and execute strategies that resist such oppositions to the change process. Augustine (2013) posited that for Firm Growth to be actualised, failing organisations should reconsider the capabilities of managers and insist on change where there are deficiencies, irrespective of the complexities involved in the change process. Confirming these complexities, Heward et al. (2007)

observed that the planning of change becomes complex with many contingencies, steps and sub steps. In some cases, organisations go through cycles of change without proper planning and implementation, or worse still, skip one or more of the steps of the action plan, which may have been erroneously perceived as trivial. Such experiences can result in those responsible for the execution of plans being uninterested and future change hindered, even if the change is suitable and imperative for the survival of the organisation.

Considering the aim of this study which is to phenomenologically evaluate the interpretation of the non-financial dimensions of Organisational Health in relation to the non-financial measures of growth of SMEs in the Nigerian context, it is pertinent to understand that managerial capability which is a soft factor dimension has previously identified skills and competencies in related literature. As contended by Mathew (2009), It is evident that pre requisite skills, competencies and capabilities are crucial to accomplish organisational tasks and achieve change.

Yuki (2002) argued that it is organisational leadership that holds the key to successful change management, and ultimately Firm Growth, with full optimisation of the needed managerial capabilities/competencies. The dynamic capability framework as explained by Teece (2009) entails the capabilities necessary to sustain superior firm performance and growth in rapidly changing environments; dependent on a firm's managerial resources.

These resources include the capability of the firm to recognise problems and trends, to direct and redirect resources, reshaping organisational structures and systems to create, address and sustain technological opportunities while staying aligned with customer and employee needs. To sustain superior performance and competitive advantage, the dynamic capability framework identifies three classes of managerial skills namely; to sense opportunities, seize opportunities and reconfigure resources.

According to Green and Johnson (2015), in England there is a precise trend towards achieving greater flexibility, which is a managerial skill. As observed by the authors, the ability to build local strategies is constrained by lack of skills. The authors therefore suggested education and training opportunities as

critical areas, useful in the building of skills. They also asserted that effective use of the existing skills of the workforce increases productivity and growth. This buttresses the importance of skills and skills development. However, Johnson et al. (2009) observed that certain groups of persons have low rates of participation in skill development. These groups include those with few qualifications, older employees, low-skilled employees and those working in SMEs. The authors also acknowledged that there can be barriers to employees' demand for skills development. These consist of financial resources, ignorance, absence of counsel and information, negative influences and lack of access to relevant provisions.

Learning is an important managerial human relation skill. Johnson et al. (2009) observed that learning culture plays a significant role in influencing employers and employees as regards skills development. Wilkens et al. (2004) argued that organisational learning is both a resource and dynamic capability of the firm. According to Bontis et al. (2002), learning is a valuable and desirable organisational skill. They provided evidence of a positive relationship between learning and performance, with learning at three levels; individual, group and organisation.

Tippins and Sohi (2003) distinguished five stages of organisational learning processes. Namely information acquisition, information dissemination, shared interpretation, declarative memory and procedural memory. Learning, as observed by Shawn et al. (2010), is a necessary part of managerial skills and competences that aids in the actualisation of Firm Growth, which is the desire of every organisation. It has been argued that specific managerial abilities are required to implement the processes needed in order to have a positive effect on firm performance and ultimate growth.

Building on Tippins and Sohi's (2003) argument, McNaughton (2003) provided evidence that the whole process of organisational learning engineered by prerequisite managerial abilities produces better performance. These results were further advanced by Zheng et al. (2010) who discovered that dynamic managerial capability is essential to bring about organisational learning, which positively affects performance for individuals and teams across organisational structures. Other researchers, namely

Elinger et al. (2002), Egan et al. (2004) and Watkins and Marsick (2004) concurred, maintaining that, for a firm, organisational learning is both a resource and a dynamic capability.

Deviating to an extent, in respect of managerial capability and its influence on Firm Growth, Hung et al. (2010) argued that organisational learning does not directly influence organisational performance, as asserted by previous scholars, but enhances dynamic capability as regards knowledge accumulation and innovation. It is the managerial capability that influences growth. Zolo and winter (2002) therefore advised that appropriate mechanisms and, skills should be imbibed to foster organisational learning, which is a basis for gaining sustainable, competitive advantage and positively influencing a firm's performance and subsequent growth.

This study, in evaluating the perception of employees on managerial capabilities and the influence on the survival and success of firms, reveals learning as one of the key managerial skills and discloses its influence on firm growth. Tan and Nasurdin (2011) had parallel views with Zolo (2002) but doubted if such managerial skills and competencies existed in Nigerian SMES, considering the alarming rate of failures, seizures and mortality rates. Lending support to Tan and Nasurdin (2011), Okurame (2007) asserted that learning is a continuous process to improve organisational behaviours, which includes managerial skills, performance and fostering growth. However, the reverse is the case in most Nigerian SMEs as they often rely on obsolete knowledge. Bonny (2005) attributed this reliance on obsolete knowledge to insufficient funding for training which would improve the knowledge base.

Augustine (2013), however disagreed that insufficient funding was the reason behind this lack of knowledge update. Instead this occurrence was attributed to ignorance and the lack of implementation of prerequisite managerial capabilities and knowledge acquisition that propels competitive advantage and fosters Firm Growth. Consequently, Jogulu (2010) stressed the need for managers in Nigerian SMEs to broaden their horizons in respect of knowledge acquisition and managerial capabilities to ensure sustainable Firm Growth.

Managerial skill requires that personnel be managed,

developed and rewarded based on actual performance rather than on managers' flawed perceptions of employees' performance (Omachonu and Einspruch, 2010). This enhances organisational effectiveness and growth. In reality, it has been observed that managers' perceptions and decisions about employee performance are often systematically biased. Consistent with this reasoning, performance

declines clearly need to be identified so that appropriate remedial measures, on the job coaching, job redesign, motivation or disciplinary action, can be undertaken (Robins and Pals, 2002). This in itself entails managerial capability (Heslin et al., 2006).

Low efficiency and productivity and a lack of sustainability in the Nigerian SMEs have been largely attributed to lack of leaders' managerial competencies

(Shang, 2007). To complicate the issue, leaders think subordinates are incompetent while subordinates have a negative view of their leaders' managerial capabilities. The managerial capabilities of a leader include proficiency in conceptual skills which include adaptability, flexibility and versatility (Rudolph Giuliani, 2002).

This constructivist study on the dimensions of Organisational Health, of which managerial capability is one dimension reveals the perception of employees as regards conceptual skills (adaptability, flexibility and versatility) and their influence on the survival and success of firms. According to Miller et al. (2009), there are core performance capabilities and skills within the core performance areas as shown in Table.2.20.

Table 2.20 Core performance capabilities and skills for Leaders

S/No	Core Performance Capabilities	Skills Within the Core Performance Capabilities
1	Self-Management	This includes self-awareness, self-control and resilience.
2	Organisational Capabilities	This includes the use of power and authority, restructuring of organisational structures, responsibility, accountability and decisiveness.
3	Team Building and Teamwork	This entails interpersonal skills such as understanding others, having capacity for collaboration, working with and through others.
4	Problem Solving	This involves creativity, handling sensitive problems, bringing solutions to the problems and action orientation.
5	Sustaining the Vision	This requires self-confidence, managing change, influence and implementations.

Source: Modified from Miller et al. (2009)

In support of Miller et al. (2009), Mason et al. (2003) suggested that leaders should possess certain desirable attributes, such as ability to work in teams, have sound communication and interpersonal skills and an awareness of workplace culture. This suggestion improves performance and fosters organisational

growth.

Zhao et al. (2010) argued that managerial discretion is another competence a form of managerial capability required to boost Firm Growth. According to the study managerial discretion refers to the ability of managers to affect key organisational outcomes through decision

making. Hsia (2012) further revealed that the influence of managers on organisational outcomes differ according to their respective levels of decision making authority. Subsequently it was suggested by Lin et al. (2011) that greater decision making authority should be given to managers to enable greater managerial discretion which will shape organisations more significantly and increase the influence of managerial characteristics on organisational outcome.

As earlier discussed, knowledge acquisition is crucial but, in addition, Cheng et al.(2010) argued that knowledge acquisition and innovation are other areas that require managerial capabilities. Consequently, organisations should significantly improve their knowledge and innovation capabilities through the transfer of knowledge across boundaries (Easterby-Smith et al., 2008). Considering the tacit and lingering characteristics of knowledge, successful transfer across boundaries may not be easy and therefore, certain capabilities are necessary to achieve the desired aim (White et al., 2010). Rao and Drazin (2002) argued that since a significant portion of valuable knowledge in organisations is embedded in individuals, hiring of experts has become one of the most frequently used methods for promoting knowledge transfer.

Another essential managerial competence and skill in sustaining competitive advantage is managerial coaching (Oana et al.,2013) which is described by Hagen (2012) as an effective leadership practice that facilitates the learning process of employees for better performance and more effectiveness; thus benefiting the employee, the manager and the organisation at large. Hamlin et al. (2006) asserted that managerial coaching can bring competitive advantages for organisations through employees' empowerment and motivation for performance, bringing more satisfaction and commitment and thereby fostering growth. As a result, managerial coaching is considered an essential managerial competence, and is one that organisations increasingly choose to invest in to develop the actions needed to build this set of skills (Liu and Brat, 2010).

However, the review of Hagen (2012), separates

managerial coaching into two approaches; the behavioural model, as suggested by Beattie (2002) and the skills/attitudes model put forward by Mclean et al. (2005). The behavioural model conceptualises managerial coaching based on actions displayed by managers, which are further categorised as empowering and facilitating behaviours. Such behaviours include open communication, provision and request for feedback from employees, informing, continuous assessment, empowerment, offering opportunities for development and delegation (Kelloway et al., 2012). The skills model describes the way a coaching manager displays skills, being able to support a coaching mentality valuing people, accepting ambiguity within the workplace, appreciation and encouragement of team work (Park et al., 2008).

Kumar et al. (2014) stated some capabilities of leaders, as suggested by Jim Collins' model of five levels of leadership. The model depicts five hierarchical levels, as shown in Figure 2.11.

- Level 1 describes a highly capable leader who makes productive contributions through talents, knowledge, skills and good working habits.
- Level 2 refers to team skills; possessing the ability to work in a team, contributing individual capabilities to achieve the team objectives and working effectively with other team members.
- Level 3 depicts the leader's skill to organise people and resources toward the effective pursuit and actualisation of organisational goals.
- Level 4 catalyses commitment and vigorous pursuit of a clear and unambiguous organisational vision stimulating higher performance standards.
- Level 5 portrays the leader as possessing the skills from levels 1 to 4 with an extra dimension blend of humility and professional will.

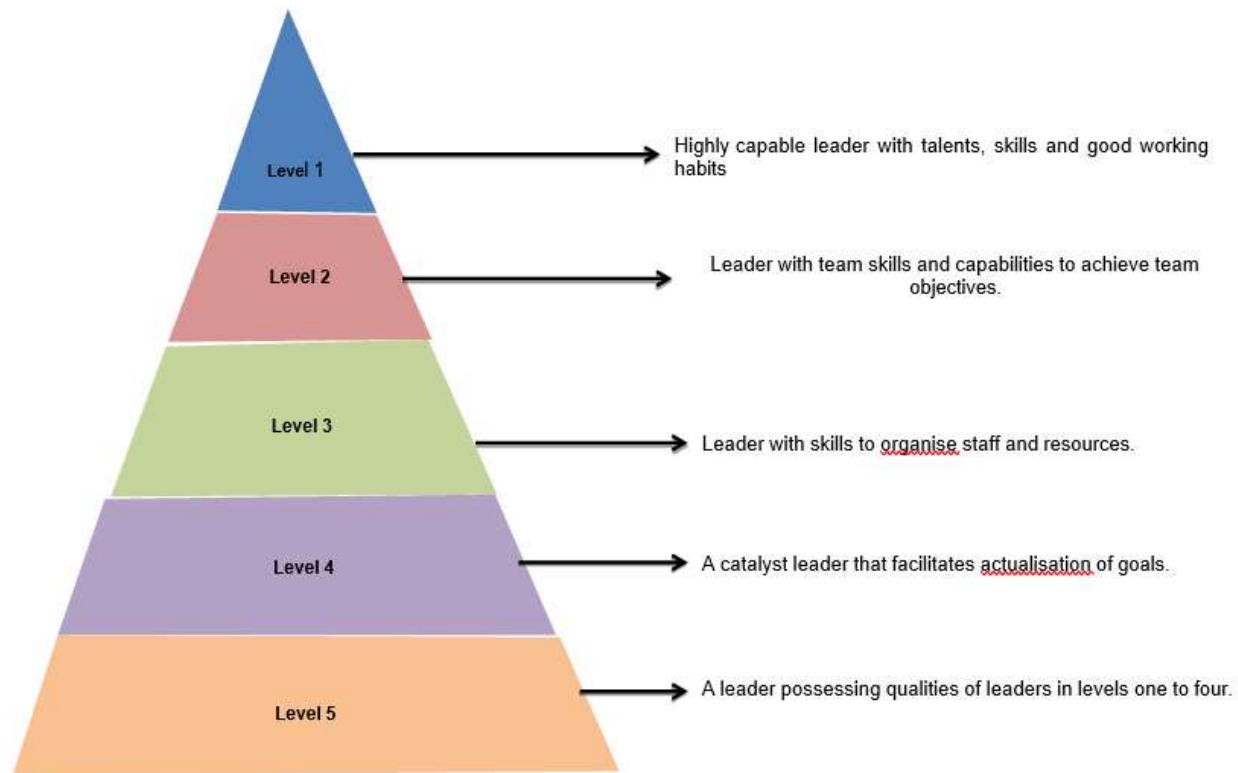


Figure 2.11 Levels of Leadership skills

Source: Modified from Kumar et al. (2014)

Parallel to these attributes and capabilities, Liouand and Nyhua (2004) reiterated that leaders think radically and tend to do the right things, follow their intuition, stand to be different, question assumptions and are suspicious of traditions. They, in addition, seek the truth and make decisions based on facts and not prejudice. They are observant and sensitive, knowing their team and developing mutual confidence.

Sandra et al. (2006) contended that Emotional Intelligence (EI) is another competence required by leaders in exhibiting managerial capabilities to foster Firm Growth. Whitener (2006) describes EI as the ability to understand your own emotions and that of your followers. It enables you to modify your feelings and influence what happens in your environment. Contrary to this, in most Nigerian organisations, leaders understand only their own emotions and not that of their followers (Oparanma, 2010). Meanwhile, EI is particularly crucial for leaders and even subordinates in Nigerian SMEs, due to work demands, increased family demands, financial demands, relationship demands, personal development, team performances and problems associated with underdevelopment in the country (Cheng et al., 2010). Ostroff et al. (2003) contended that managers in particular need high EI since they represent the organisation in relating with customers and competitors,

interacting with people within and outside the organisation and setting the tone for employee morale.

Success in sales requires EI, which in this case is the ability to understand customers and provide service to them (Robbins and Judge, 2011). Management of EI helps in developing interpersonal skills to work effectively in the organisation (Wall, 2008). According to Wall (2008), organisations loose customers because of a lack of EI; that is, customers are dissatisfied due to poor services rendered to them and they leave. Pare and Tremblay (2007) asserted that EI is linked to Social Network Theory, Social Exchange Theory and Social Learning Theory, which are all Sociological Theories. This link is appropriate because EI, as a social construct, deals with understanding emotions and developing relationships, all sensitive areas that require organisational management competence (Tanveer, 2010).

Riketta (2008) views the Social Network Theory as based on the principle of social interaction, concerned with relationships between interacting entities. Interaction and relationships between employees and management exist in all organisations. The interaction needs to be fruitful to yield expected results, and therefore EI is required to understand the emotions of different entities (Durst and Wilhem, 2011). According to Ahiauzu (2011), this theory, which has reshaped management theory and

practice, holds that social factors are more important for both performance and morale. This social network stresses the importance of links among a defined set of persons.

Salami et al. (2010) posited that organisations consist of people who constantly interact and these interactions are the basis for excellent performance and the ultimate growth of the organisation. The authors further asserted that EI, which focuses on understanding feelings and forming relationships, among members of an organisation, is associated with the Social Network Theory. The underlining assumption between the actors of the Social Network Theory is the Social Man concept (Sequeira et al., 2007). This concept holds that man exists within a web of relationships and is the path way that gave rise to the human relations movement.

Zhao et al. (2005), in affirming the need for EI, contended that it comprises of five factors which include intrapersonal skills, interpersonal skills, adaptability, stress management and general mood. Intrapersonal skills refer to the ability of being aware and understanding one's emotions, feelings and ideas. It is sub divided into self-regard, emotional self-awareness, assertiveness, independence and self-actualisation. Spinks and Moore (2007) describe interpersonal skills as the ability of being aware and understanding the emotions and feelings of others. It is sub-divided into empathy, social responsibility and inter personal relationships. Toops (2009) states that adaptability is concerned with the ability of being open to changes in feelings depending on the situation. This includes flexibility and problem solving. According to William et al. (2007), stress management refers to the ability to cope with stress and control emotions. It consists of factors like stress tolerance and impulse control. General mood, as described by Avolio et al. (2004), is concerned with feelings and expressing positive optimistic emotions. It comprises of optimism and happiness. All the aforementioned skills, competencies and talents constitute managerial capability, which is a soft factor dimension of Organisational Health and has a positive influence on Firm growth as previously discussed.

Adeyemi-Bello (2005) identified self-confidence as another area of competence required from leaders. It involves a strong sense of one's own worth and capabilities. Leaders with this competence present themselves with self-assurance, establish presence, are usually vocal and decisive, and are able to make sound decisions, even under pressure. According to Ajala (2008), self-confident leaders often see themselves as

efficacious, able to take on challenges and get acquainted with new jobs or skills. They believe themselves to be catalysts, movers and initiators, maintaining that their abilities will stack up favourably in comparison to others. As Akintayo (2010) put it, self-confidence is the sine qua non of superior performance; without it people lack the conviction that is essential for facing challenges and taking tough decisions. Self-confidence gives the requisite self-assurance for plunging ahead or stepping in as a leader. The author observed that for those who lack self-confidence, every failure confirms a sense of incompetence. Unfortunately this is a true representation of some leaders in Nigerian organisations Jaja (2009) asserts.

In the view of Amah (2009), the absence of self-confidence can be manifested in feelings of helplessness, powerlessness and crippling self-doubt. Amir (2012) however contends that extreme self-confidence can be likened to arrogance especially if the person lacks social skills. To have a positive influence on Firm Growth, self-confidence must be aligned with reality (Lin et al., 2011). For this reason, lack of self-awareness is an obstacle to realistic self-confidence. In a study by Awad (2007), it was observed that among supervisors, managers and leaders, those with high levels of self-confidence are set apart as best performers. Highly self-confident persons seem to exude charisma, inspiring confidence in those around them. Self-confidence enables a person to take tough decisions, follow a course of action despite oppositions, disagreement or even explicit disapproval and stand by their decisions (Adekola, 2010).

Anugwom (2009) contended that self-management refers to how well one controls emotions, impulses and resources. As part of self-management, disruptive impulses have to be kept in check with displays of honesty, integrity and flexibility in times of change, with the maintenance of the drive to perform well, seizing opportunities and therefore remaining optimistic even after failure. Such people are role models, self-coaching, positive thinkers who set personal goals and manage change. According to Lunenburg (2010), a leader with self-management would not suddenly decide to fire an employee because of one difference of opinion but will rather exercise self-control. To lend support to Lunenburg (2010), Teme (2013) attributed the high labour turnover in most Nigerian SMEs to lack of self-management on the part of employers and leaders. Self-management enables leaders to manage impulsive feelings and distressed emotions, think clearly, stay focused under pressure, be composed, positive, and unflappable in challenging moments.

Another more mundane example is time management. As stipulated by Baakile (2011), this concerns working according to daily scheduled demands. The attitude of both employers and employees is appalling in relation to time management in Nigerian SMEs (Baridam and Nwibere, 2008). Avey et al. (2012) observed that in developed economies, time is of the essence, and consequently, time management is a valuable human resource tool where the time allotted for set activities is usually respected and kept.

However, procrastination seems to be the order of the day in many Nigerian organisations and this plays a major role in negatively affecting the output of these organisations. Pawar (2009) contended that this may well be one of the reasons for the high level of failures, stagnation and increased mortality experienced in Nigerian SMEs. The time value of money, in respect of a job done today and that of a job done days after, may not be the same. Further observations by Basset-Jones (2005)

in Nigerian SMEs are that employees report to work late and jobs are not completed when due. All of this affects efficiency in organisations and ultimately growth.

Sari (2010) revealed that a complete revamping of Nigerian SMEs in the knowledge and implementation of managerial skills and competencies is expedient if SMEs must grow as expected and compete favourably with other SMEs in the global economy. Akpeti (2012) however, argued that the challenge in Nigerian SMEs is not in the knowledge of managerial skills and competencies as revealed by Sari (2010) but is in the implementation of what is already known. The author argued that Nigerian SME managers and leaders may not claim ignorance of managerial skills and competencies. Jaja and Okwandu (2006) re-iterated that the problem in the majority of Nigerian SMEs is implementation. The aforementioned managerial capabilities in form of skills and competencies are diagrammatically represented in Figure 2.14.

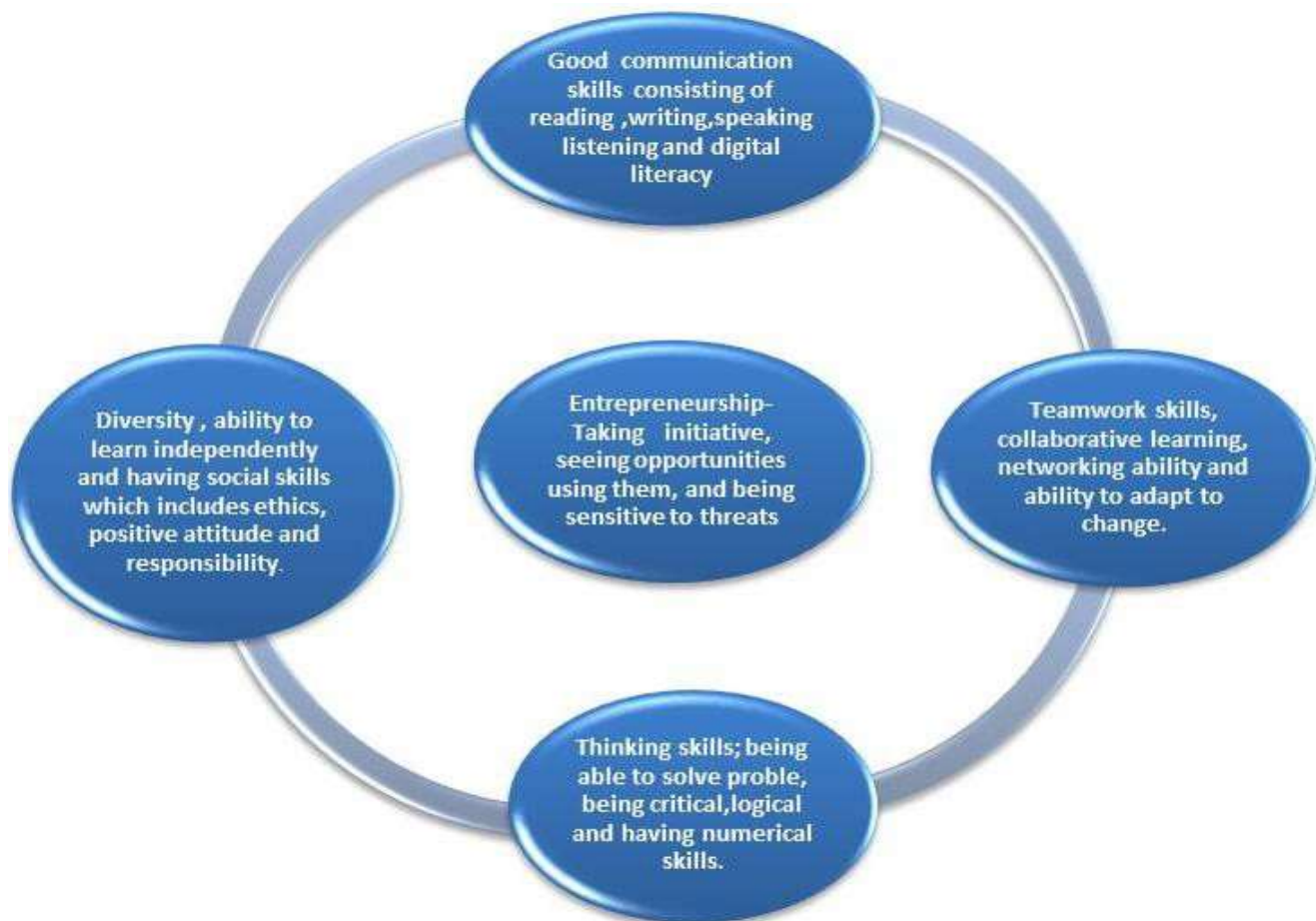


Figure 2.12 Managerial Skills and Competencies

Source: Modified from Zhao et al., (2005)

Baron and Banaji (2006) showed in their study that supportive relationships are good for Organisational Health. Davidson (2009) however, asserted that dealing with difficult people and maintaining on-going negative relationships is actually detrimental to the health of the organisation. To reduce or eliminate relationships that are filled with conflicts may actually not bring about lasting solutions as far as the health of the organisation is concerned. Considering that synergy is important in the accomplishment of organisational goals, Babalola (2006) suggested that managers should develop skills that will enable them to carry everyone along in the achievement of such goals.

Synergy is important (Ilir and Ensari, 2009) because teams enhance performance, increase responsiveness to customers, gain competitive advantage and contribute to organisational effectiveness and health (Nielson, 2006). Ilir and Ensari (2009) suggested that managers should have a variety of skills and capabilities, bearing in mind that every organisation consists of people from different cultures, with different personalities, working at different speeds with different emotions, having good/bad days and being mutually responsible for end results. Berliant and Fujita (2008) argued that to sustain competitive advantage and subsequent growth in an organisation, certain managerial skills are necessary for managing teams within the organisation. These include conflict management skills, negotiation skills and skills for handling difficult team members.

Kavanagh and Ashkanasy (2006) posited that conflict management skills are necessary to curb functional and dysfunctional conflicts. According to the authors, functional conflict is also known as constructive conflict which increases information and ideas, encourage innovative thinking, unravel different points of views, reduce stagnation and helps the employees to work towards actualising organisational goals. On the other hand, dysfunctional conflict is characterised by tension, anxiety, stress, reduced trust, poor decisions due to distorted information, lack of innovation, stagnation, business as usual syndrome and blocks an organisation from actualising its goals. It requires more effort and resources to get a task done due to conflict (Ibok, 2009). Baer et al. (2003) suggested that a manager should be equipped with the right managerial skill depending on the existing conflict orientation. The different conflict orientations include dominance (want to win), collaborative (finding a solution that satisfies everyone), compromise (splits the differences), avoidance (back away) and being accommodative (focus on the desire of the other person).

Biswas and Biswas (2007) contended that collaborative orientations provide more positive long-term benefits than the others. Bowen and Ostroff (2004) described four approaches to conflict as the win/win situation (both parties feel satisfied), win/lose situation (one party gets satisfied), lose/lose (neither party gets satisfied) and the lose/win situation (the other party gets satisfaction). There is no best way to handle conflicts. It therefore depends on the situation. According to Chatman and Spataro (2005), there are five strategies for managing conflict;

- Mediation (identifying multiple possible alternatives and mutually select one that is acceptable to all involved parties and in the interest of organisation)
- Arbitration (this requires provision of a safe and productive opportunity for the conflicted parties to air their disagreements).
- Control
- Acceptance
- Elimination

Wood (2005), in consonance with the identification strategy by Chatman and Spataro (2005), described control as the tendency to bring tension and emotions down to a level at which productive discussion and negotiation can occur. The author added that humour is often an effective tool here as well as the use of temporary breaks or time-outs in the discussion

between conflicted parties. Halrynjo (2009), who also identified some strategies for managing conflict, contended that as regards acceptance, an acceptance decision can be made that the conflict consequences are negligible relative to organisational objectives and therefore require no action. According to the author, this strategy carries significant risk of later escalation and, therefore, should be combined with specific plans for monitoring the situation to ensure that the conflict remains at an acceptable level. Laioet al.(2008), in agreement with the strategies of managing conflict, described elimination as the strategy reserved for those conflicts that have become so dysfunctional that the organisation can no longer tolerate any negative impacts from them. It is often the last resort that involves the elimination of the conflicted parties from the organisation. As suggested by Lavavino (2007), a leader is advised to avoid situations that will generate conflict, but support, harmonise, relieve tension, energise and facilitate team members in the organisation to sustain competitive advantage.

Ku et al. (2010) identified conflict as one of the prevailing circumstances in most Nigerian SMEs. Consequently, managerial skills in conflict management and resolution become imminent. Harrisson et al. (2006) posited that conflict arises where there is opposition, incompatible behaviour and antagonistic interaction, entailing an individual blocking another from reaching desired goals. This, according to Harrisson et al. (2006), happens frequently in Nigerian SMEs and, as a result, impedes growth. Nevertheless, Grazanio et al. (2007) had a different opinion and argued that conflict is not always bad for an organisation. Therefore it is not necessary for organisations to reduce all conflict. The authors further contended that conflicts are an inevitable part of organisational life and are needed for the growth and survival of the organisation. Parallel to this, Hall et al. (2005) contended that organisational conflicts reveal the deficiencies of employees and management and are necessary ills that ameliorate deficiencies. Hall et al. (2005) therefore suggested that organisational management should possess managerial capabilities to curb conflicts rather than eliminating conflict, which is almost impossible.

Mueller et al. (2011) identified social loafing as a crucial area where managerial skills are required in Nigerian organisations. According to the authors, social loafing refers to the human tendency to put less effort into group work than when working individually, which results in lower group performance and subsequent failure to attain group goals. Mensah (2007) contended that to reduce social loafing, the leader should be capable of making individual contributions to a group identity, emphasising the valuable contributions of individual members and keeping group sizes at an appropriate level.

The emphasis of this study is on the phenomenological evaluation of the dimensions of Organisational Health, of which managerial capability is one, and the influence on the survival and success of SMEs. In ensuring organisational survival and success, performance management is vital (Hemdi et al., 2008). According to the authors, corporate performance management is important to translate business strategy into sustainable performance and ultimate growth. It gives management a prospective and real time picture of actual events across the value chain. Greer et al. (2006) argued that in managing performance, certain managerial skills are required because performance management encompasses the full range of managerial practices and tools. These can be used to drive sustainable long term value creation, have competitive advantage and foster Organisational Growth.

Piccolo and Colquitt (2006) posited that a leader has to define and operationalise the organisational strategy. This means that the strategy has to be broken down into controllable and measurable strategic targets. At this stage, the key issues are strategic alignment, definition of strategy maps, value drivers, scenario models and organisational structures as

well as effective stake holder management. Ramsey (2009), in agreement with the assertion of Piccolo and Colquitt (2006), argued that managerial skills are needed to define and operationalise strategies, but in addition, identified financial and operational planning as other key managerial practices. Organisations pursue models differently in terms of content, structure and time frame. Here, the organisational focus should be on operational target setting, financial and operational business planning, budgeting and forecasting.

Grantham and Ware (2004) identified talent management as another area that needs attention in most Nigerian organisations. This entails attracting, retaining, developing and promoting outstanding talent. According to Cortina (2008), in attracting talents, organisations need to ensure that the right type of people in the right numbers are brought into the organisation. The study by Rose and Miller (2008) revealed that the issues of who one knows, in searching for jobs, has caused many organisations to be overpopulated. Lending support to Rose and Miller (2008), Davenport et al. (2010) contended that the issue of the right personnel in the right numbers being employed is often not even considered in Nigerian SMEs because people want to please relatives and friends, whether qualified or not. To reiterate this issue, Ugboro and Obeng (2004) observed that in most Nigerian SMEs, employees are employed because of who they know and not as a result of having the pre requisite skills. This, according to the authors, reduces productivity which ultimately dwindles and reduces Organisational Growth.

Cho (2007) argued that when the wrong personnel are employed, the organisational targets may not be achieved and growth may be stagnated. Cho (2007) advised that leaders should be capable of possessing the skills and talents needed to recruit the right talented personnel who will boost performance and foster Firm Growth. In terms of developing and promoting talent, organisations have to ensure that the people have the prerequisite skills to remain

relevant in the organisation over time. Unfortunately, Cook (2009) discovered that in most

Nigerian SMEs, the right personnel are either very few or not there at all. Added to this, employees outnumber the available positions and therefore raise the wage bill so high that it impedes growth.

Wei and Yuan (2010) identified some dynamics of managing talents, which include creating awareness and recruitment (including online) programs, affiliation with other organisations, appraisal and counselling systems, career and succession planning. Other dynamics of managing talents, as identified by Shalley and Gilson (2004), are global mobility and secondments, learning and education, performance measurement, flexible work arrangements, compensation philosophy, work life balance, diversity management, reward strategies and use of technology. Yang (2010), in addition, suggested that organisations should manage the quantity and quality of high potentials at the organisational level as a portfolio of scarce growth assets. Functional and business units' rotation is also essential. The aforementioned managerial tools, skills and practices constitute managerial capability, which is a soft factor dimension of Organisational Health to determine Firm growth.

Chen and Klimoski (2003) suggested that young leaders should be assigned intense jobs with precisely described development challenges. The organisation should also have the ability to identify the most risky and challenging positions across the organisation and assign them directly to rising stars. Amabile and Khaire (2008), in addition, suggested that organisations should ensure that everyone has a good idea of the decisions and actions for which they are responsible. Once decisions are made, they should rarely be second guessed. Managers up the line should get involved in operating decisions. In achieving the above, Andrews and Gordon (2007) advised that important information about competitive environments should get to the strategic management quickly. In addition, information should flow freely across organisational boundaries. Field and line employees should have the information needed to understand the bottom-line impact of their day to day choices. Line managers should have access to the metrics they need to measure the key drivers of their business. Conflicting messages should not be sent to the customers (Gardner, 2005).

As posited by Dutton (2005), similar to talent is competency which is a person related concept that refers to dimensions of behaviour underlying desired good performance. It also relates to areas of work at which employees are skilled. Ekwall et al. (2006) argued that in

every organisation, competencies should be defined with the framework being developed. There should also be competency assessment which would further be linked to development planning. Management should clearly identify the competencies to be found within its employees. Several competencies have been identified by Mossy (2005), Lim and Zhong (2006), Ling et al. (2007), Chris (2010) and Olakitan and Ayobami (2011) as depicted in Table 2.21 Appendix V.

From the foregoing, several authors have emphasised the importance of several skills, talents and competencies which constitute managerial capability and human resource actions that require managerial capability; all in a bid to increase performance and foster Firm Growth. They include change process, learning, employee coaching, adaptability, flexibility, versatility, problem solving, vision sustenance, discretion, self-confidence, synergy growth mind-set, team building, emotional intelligence, self-management, conflict resolution, time management and performance management. (Jantunen et al., 2005; Gellaty et al., 2006; Baker and Jinkula, 2007; Ireland et al., 2009; Yang, 2010; Jusoh et al., 2011 and Khalili, 2012).

The identified skills and capabilities, in the empirical review of related literature, are the sub- themes in the findings of this phenomenological study and they are constructively evaluated in relation to their influences on the survival and success of firms in the Nigerian perspective.

2.6.3 Accountability and Growth

Accountability, as revealed by Dubnick (2005), is the oxygen of any organisation, without which they will suffocate in excessive concentrations of power, blind policy making, less justice and bad performance. This, according to Salami (2008), is the case in most Nigerian SMEs, where power is concentrated in the hands of few and the growth of the firm is therefore either crippled or terminated. Studies by Kelly and Swindell (2002) indicate that accountability should be result oriented to improve performance (outputs and outcomes) and in turn yield desired growth. Building accountability is a proactive measure and process through which performance targets are planned, defined, negotiated and assigned primarily. According to Artley (2001), the final goal is to hold service managers and employees responsible for doing everything possible with their authority and resources to actualise the intended performance targets. The study by Artley (2001) therefore proved that employees' performance and firm growth can also be enhanced through accountability.

Fredrickson (2005) suggested four methods to determine the level of accountability of employees at work.

1. The first method is for the supervising official to directly supervise the work performance of the responsible employee. Ogunyemi (2007) argued that criticisms can be issued if the work under supervision is not well accomplished. This, according to the author, affects the year end appraisal of the employee's performance.
2. The second method is to prioritise the crucial goals that must be actualised first. Such goals or targets are usually referred to as targets with veto power. In this method, if an employee fails to achieve one of the priority targets, that employee is disqualified from participation in end of year appraisal exercise irrespective of how successful the employee was in meeting other targets. Chan and Gao (2008) revealed that there is usually enormous pressures on employees in accomplishing targets with veto power because if there is failure, career prospects can be jeopardised.
3. The third method uses special performance tasks such as environmental protection and maintaining social security to ensure accomplishment of goals. This is similar to the targets with veto power.
4. In the fourth method, a strong incentive mechanism is put in place to reward achievements and penalise bad performance (Larson and Luthans, 2006). In support of the suggestion by Fredrickson (2005) on the methods to determine the level of accountability, Richard (2010) asserted that the essence of the determination of accountability is to enforce it in organisations that do not practice it so as to increase performance and foster Firm Growth.

Sharing a parallel view, Frolich (2011) identified performance based funding (PBF) as one of the accountability program widely acknowledged as a measure to improve accountability and increase growth. The assumption is that accountability improves organisational functioning as managers are assigned responsibilities for meeting set targets according to measurable indicators. This indicates that by implementing PBF, accountability is improved and Organisational Growth achieved. An example of this is given in the definition of accountability by Burke (2005)

who describes it as the provision of answers generated from various data and information to those who have the right to ask. Invariably, accountability is described as a social relationship in which a person feels obligated to explain or justify a conduct to their superior and does so by providing various data about the performance of assigned tasks and outcomes. In line with this definition, Liu and fellows (2007) stated that the closest synonym for accountability is answerability.

Bovens (2005) linked accountability to answerability, defining it as giving managers the right to interrogate and access the performance of subordinates and question the accuracy of the information given. In this perspective, PBF is considered a procedure through which employees are held accountable to employers and other stake holders; thus PBF can be referred to as the proof of accountability (De Boer et al., 2007). When accountability is established, organisational growth will be achieved (Luthans and Youssef, 2007).

Another definition of accountability is hinged on improved outcomes (De Boer et al., 2007). The assumption here is that when employees focus on producing outcomes and satisfying stakeholders' interest, accountability is enhanced. Lorens et al. (2007) contended that for performance to be increased and growth sustained, employers and stakeholders do not only need information about the performance of employees, but also need information about the end results (outcomes) of activities. Talbot (2005) argued that performance information, especially as regards outcomes and end results, must be published and disseminated to users if they are to make informed decisions.

Accountability is a concept that is difficult to define in a few words (Lambert et al., 2008). The authors hold that accountability is the ability to answer for one's responsibilities, reporting, explaining, giving reasons, responding, assuming obligations and rendering a reckoning to submit to a superior for external judgement. More specifically, Moideenkutty (2009) defines accountability as one being obliged to explain, answer for and bear the consequences for the manner in which the duties have been discharged, functions fulfilled and resources utilised. These definitions offer a conceptual understanding of accountability, yet Connor and Morrison (2007) argued that a general framework which is tailored to empirically study and evaluate the accountability of organisations, should be more specific so as to differentiate who is accountable to whom, for what, and by what means or mechanisms. In this way a more complete picture of accountability within a specific

regulatory regime is provided.

Hofmann and Morgeson (2009) put forward the argument that in some Nigerian SMEs employees are not accountable because they lack work to do. According to the authors, this is because employees in many Nigerian SMEs exceed the available positions to be occupied, and leave most employees jobless. A jobless employee has no assigned task to bring about accountability. This may impede growth because the wage bill may surpass the income generated in the firm. Hall and Jones (2009) identified a further reason for a lack of accountability in some Nigerian SMEs as employees being either not assigned jobs or being ignorant of their role expectations. Crosby et al. (2006) confirmed this ignorance of employees' role expectations and warned that it also negatively influences the survival and success of firms.

Consequently, formulation of accountability as a vertical and linear relationship between principals and agents, employers and employees, sectional heads and subordinates can offer a partial answer to the question "accountable to whom"? In analysing to whom employees are accountable, Sims (2004) and Yesufu (2004) presented a view of accountability in three dimensions; upwards, horizontal, and downwards. According to Sims (2004), the upwards accountability corresponds to the simple vertical relationship between principals and agents and superiors and subordinates, where accountability is rendered to the higher authority by the one lower in the vertical relationship. Horizontal and downward accountability, as described by Yesufu (2004), involves accountability to broadly parallel independent office personnel or colleagues. Richard (2010) observed that upwards accountability propels performance and increase Firm growth.

As regards what to be accountable for, this has been a critical and most challenging question in ensuring effective accountability in organisations (Ogunyemi, 2007). Firstly, employees need to have knowledge of what to be accountable for because accountability primarily creates and promotes effective regulation, with much emphasis put on work outcomes. According to Parasuanaman (2007), a consensus exists that demands an evaluation of work outcomes to ascertain if employees have met their assigned objectives. This evaluation requirement for the actualisation of objectives must be clearly identified by laws, statutes or organisational policies.

Ogunlaya (2007) contended that employees cannot be fully held accountable when regulatory activities are not made transparent and known to them. The author

observed that the inability of employees to be aware of their assigned roles inhibits the survival of firms. Parallel to this, Lee and Liue (2007) posited that lack of information and/or potential information asymmetries can undermine accountability. When the intent of an organisation includes making regulatory activities accessible, transparency can be attained by providing and publicising information about regulatory activities and decisions.

Accountability is one of many possibilities for increasing performance in order to influence growth positively; though it involves holding individuals responsible for their actions (Mahiho, 2005). This assertion is similar to that of Bruce and Neild (2005) who argued that organisations without accountability are as good as not being in existence. Mann (2006) describes accountability as the life wire of organisations. Licardo (2006) observed that complaints about poor performance and lack of accountability in Nigerian SMEs abound. This observation is supported by Adebayo and Nwachukwu (2008).

Hareel (2008) proposed a comprehensive model of factors (situational and personal) influencing accountability and in turn performance. Justification of one's view in line with others is one of the key situational factors related to accountability which influences firm survival and success. Sharing a parallel view, Licardo (2006) found that the awareness of employees concerning the views of the superiors they are accountable to makes them adjust their views to please the superior officer. However, ignorance of the views of superiors leads to complex information processing. In other words, when one feels accountable to an organisation, one tries to please the organisation by working to foster the organisation's growth. Bruce and Neild (2005), however, did not agree with Licardo (2006) and asserted that most employees understand the views and aspirations of organisations yet are not interested in pleasing the organisation by increasing performance to foster growth. Sylvia and Mcnall (2007) pointed out that employees found not to be interested in improving Firm Growth may have issues beyond official problems.

Hall and Ferris (2009) observed that accountability, in terms of giving feedback, involves upward and downward flow of information. Adebayo and Nwachukwu (2008) agreed with this but argued that the upward feedback seems to be better. Licardo (2006) was also interested in an upward feedback rather than downward feedback. Raja and John (2010) however, suggested that the downward feedback yielded better

results. Similarly, Curtis et al. (2005) investigated the effects of each type of feedback and suggested the application of a downward feedback.

Martinez and Nilson (2006), in their study of accountability and performance at South Dakota, found that accountability; upwards or downwards, contributed to institutional performance to some extent. However, Volkwein and Tandberg (2008) contended that accountability did not contribute to performance. Huisman and Currie (2004) conducted comparative case studies on accountability and performance and also found that performance-based accountability was not successful in enhancing performance. The contradictory results of these various studies may be disappointing but have led to the exploration of the broader issues underlying the effects of government policy and/or interventions and moderating variables (the age of the firm) on performance and subsequently growth.

Lawrence (2004) argued that only reciprocal rights can create authentic accountability. An employer has the right to demand compliance from the employee in the actualisation of organisational goals, while the employee has the right to be motivated and well appraised by the employer. Philemon (2005) similarly posited that the right of one party is the responsibility of the other party. Accountability develops through relationships and according to Halachmi and Holzer (2011), genuine relationships in an organisation are a valuable tool for increasing trust and accountability. Relationships that increase accountability can provide managers with important feedback about the firm's operations, which will have an effect on the Firm's Growth.

Tompkins et al. (2010) suggested that citizen participation should be encouraged to ensure accountability, since accountability is the extent to which individuals understand their job expectations, have the authority to carry out their jobs and take responsibility for delivering feedback to foster growth. The study revealed that in the current reality of growing demands for accountability, citizen participation is crucial. Confirming the essence of citizen participation, Chan and Gao (2009) argued that employee participation is essential and necessitated by a good set of performance measures which build accountability. Therefore, improved accountability generates better productivity and increases growth in the firm.

This phenomenological study of the dimensions of Organisational Health evaluates the perception of accountability (one of the dimensions) in the Nigerian context and its influence on the survival and success of

SMEs. Identified sub-themes in accountability include knowledge of assigned role, who to report to, authority and the feedback process.

2.6.3 Reporting Structure and Growth

Organisational structure improves performance and enhances organisational growth (Tamoore et al., 2013). This is achieved by establishing and increasing the coordination between hierarchical organisational levels and human resources. Organisational structure enables personnel to be aware of their organisational roles. This leads to job motivation, productivity, efficiency, minimal bureaucracy, job satisfaction and ultimately organisational growth (Sabunchi, 2007). Sharing a similar view with Tamoore et al. (2013), Hosein et al. (2013) stated that organisational structure facilitates relationships among the different departments in an organisation and enables efficiency and effectiveness of organisational units. Furthermore, organisational structures provide favourable situations to empower employees and enable flexible characteristics such as dynamism, attending to specialty, competency and supports for employees' creativity. As long as the employees are flexible in performing their job functions and have more independency in their jobs, productivity will be enhanced.

Nevertheless, Powell (2002) argued that the flexibility and creativity of workers in an organisation is enabled with the existence of an organic structure, unlike the usual structure with documented rules. According to Powell (2002), formality and concentration of authority and decision making reduces creativity among employees. Alternatively, distribution of authority and decision making in the organisation leads to spontaneity, experience orientation, freedom of speech and creativity. Talebbidokhti and Anvari (2008) argued that organisational structure is a unique process which plays a major role in attaining organisational set goals. It is a framework in which communication systems, decision centres and other management processes are determined.

Damanpour (2010) discovered that in many Nigerian SMEs the bureaucratic system is practiced. Consequently implementation of decisions takes a long time due to the long span of control. The author observed that rules become so numerous that adherence becomes an issue for employees. Sharing a parallel view, Hackman et al. (2006) contended that the existence of bureaucratic systems in Nigerian SMEs may have done more harm than good because great numbers of employees in these SMEs lack initiative and therefore, add little or no value to the development and ultimate growth of the SMEs.

Graen and Scandura (2007) also argued that the alarming rate of inequalities existing in most Nigerian SMEs may be as a result of bureaucratic systems. The authors contended that the organic structure may best suit Nigerian SMEs so as to reduce existing inequalities, improve the rate of dissemination of information and enable employees use their initiative. This may ultimately increase performance, sustain competitive advantage and positively influence Organisational Health and Growth.

The structure of the organisation gives tangible evidence of who reports to who, the levels of decision making authority that exist in the organisation and shows how the organisation is assembled. Unfortunately, Baker and Jennings (2009) asserted that most SMEs have no structure in place, causing confusion concerning who employees should report to. The authors further observed the ignorance of most employees in respect of the decision making levels in the organisation.

In confirmation of the assertion by Baker and Jennings (2009), Anderson et al. (2009) discovered that in most SMEs in Nigeria, employees report to the wrong superiors because of ignorance of the right superior to report to. The authors attributed this to an absence of reporting structures. Wilson and Rosenfeld (2005) described structure as an established pattern of relationships that exist between component parts of an organisation, outlining communication, control and authority patterns. These relationships consist of a collection of individual employees working together to achieve a set of goals determined by the organisation. Consequently, the organisation has to ensure that it builds into the structure

the means to achieve such goals to ensure the sustainability, long term survival and growth of the organisation (Jacobides, 2007). According to the author, the structure has to meet desired needs of employees and customers. Alternatively, where the needs and desires are not actualised, due to adoption of inappropriate structures, then the structures have to be changed.

The essence of this study is to phenomenologically evaluate the interpretation of the non- financial dimensions of Organisational Health (of which reporting structure is one) in relation to the non-financial measures of growth of SMEs in the Nigerian context. As already identified by Baruch and Folger (2005), in published related literature, reporting structure is a hard factor dimension that impacts on growth quantitatively. However, this constructivist, interpretive study adopts a qualitative approach and evaluates the influence of reporting structure on the survival and success of SMEs

in the Nigerian context.

Organisational structure shapes organisational culture, satisfies the organisational needs, coordinates organisational activities and provides discipline to actualising organisational goals (Ramezan, 2001). It also determines who should be placed in a particular position, communicate with whom and utilise what rules and methods to achieve organisational goals. Sharing a parallel view, Robbins (2005) in explaining the different components of organisational structure, highlighted the importance of organisational structure with regards to organisational growth.

Robins (2005) stated that complexity, formalisation and centralisation are components of organisational structure. Complexity indicates the limits and separation within an organisation; depicting the level of specialisation, division of labour and the number of levels in the organisation hierarchy. Shin (2010) observed that when employees are aware of their designated roles and specialise in them, manpower/idle time is reduced, effectiveness and efficiency are achieved which ultimately leads to Organisational Growth. James and Jane (2005) described formalisation as being in relation to organisational set limits to direct employees' behaviours towards rules and regulations. This enables the employees to work according to expectations to achieve set goals and in turn foster organisational growth.

According to Jarnagin and Slocum (2007), centralisation refers to the place where decision making is centralised. Decisions are made in the interest of the organisation and, therefore, with the existence of a centralised place for decision making, growth is assured. Furthermore Chen et al. (2010) disclosed that organisational structure reveals the extent to which organisations approve decision making power, standardise the rules and regulations and integrate employees to establish set goals. It determines employee tasks, relation paths and work practices. Hunter (2002) and Robbins (2005) also classified organisational structure into three elements which includes formalisation, complexity and centralisation. According to Hunter (2002) formalisation refers to the standardisation of jobs in an organisation, which directs the behavioural limit of employees based on the organisational rules and regulations. Nasurdin et al. (2006) further stated that in organisations with high formalisation, where rules and regulations are many, job descriptions are explicitly explained and the rules and regulations clearly defined.

Moghim (2007) refers to complexity as the task division across the organisation which could be measured through

standards such as horizontal separation, vertical separation and geographical dispersion. Centralisation is the extent to which power is distributed in the organisation and decision making power delegated to higher levels of the organisational hierarchy. Chen and Chang (2012) however, divided organisational structure into mechanistic and organic structures. Based on the view point of Chen and Chang (2012), the mechanistic structure has a higher level of formalisation and centralisation compared to the organic structure. This reduces the frequency of communication between employees, both internally and with the external environment. Consequently, this is less favourable for organisational innovation and ultimate growth. Decision making speed is also adversely affected.

Decision making speed denotes how fast organisations adopt strategies in response to changes and how quickly the organisations execute all aspects of the decision making process (Jaruzelski and Dehoff, 2010). Meanwhile, researchers like Ancona (2001) and Zehir and Mehtap (2008) have prescribed fast decision making as a source of competitive advantage. They state that firms that who make decisions faster in a dynamic environment, exploit opportunities and the rapid exploitation of such opportunities, may give rise to first-mover advantages. It was again stated that decision makers may keep up with fast moving environments and therefore, engage in comprehensive scanning, research and analysis to yield high performance and subsequent desired growth. Furthermore, appropriate decision making is vital to the maintenance of competitiveness, which leads to early adoption of products or improvement of business models and development of new opportunities.

Zehir and Mehtap (2008) further confirmed that organisations with higher formalisation are slower in decision making and employees in highly centralised organisations have less motivation to learn, are less efficient and slower in making decisions. Again it can be inferred that organisational structure determines the speed of decision making which impacts positively or negatively on Firm Growth (Illies et al., 2007). According to Nahm et al. (2003), formalised structures may lead to employees losing their courage of innovation, independence and learning opportunity. Despite the adverse effects of high levels of formalisation, Azadegan (2008) argued that formalisation procedures and rules help organisations to filter out incorrect messages, negative employee behaviours and, at the same time acquire, assimilate, disseminate and apply existing knowledge and capabilities to foster

organisational growth. From the argument of Azadegan (2008), it is therefore inferred

that organisational structure determines organisational innovation and subsequent growth. However, this study adopts a qualitative approach and therefore explores and evaluates reporting structure in relation to its influence on the survival and success of SMEs. One of the key areas of influence to ensure survival and success is the decision making process.

Beamish (2008) further defined organisational structure as the framework on which the organisation's strategic vision, roles and responsibilities are outlined, coordinated and tasks arranged in a way to actualise organisational goals. Sharing a parallel view, Samson and Daft (2009) argued that organisational structure facilitates the implementation of organisational business activities, management formulated strategies and responds to the demands of both internal and external environments. According to Gbadamosi and Nwosu (2010), the internal environment is made up of structural dimensions which include formalisation, centralisation, departmentalisation, hierarchical levels, span of control and specialisation. The external environment is made up of contextual dimensions which consist of the environment, strategy, technology, size and culture. All these ultimately foster organisational growth. Clayton et al. (2005) and Samson and Daft (2009) all highlighted the fact that organisational structure enables the organisation to respond to the factors in the business environment, competition, technological innovation and the needs of customers. It was however argued that the search for an optimal organisational structure could be a challenging task in the contemporary business environment where the organisation is affected by many extraneous factors in the wider economy.

According to Brodney (2011), organisational structure aids fast decision making, which in turn facilitates innovations and ultimately fosters growth. Similarly, Forbes (2005) argued that organisational structure affects organisational decision speed irrespective of the organisational structure being centralised or decentralised. Organisational structure has a significant role in the quality of an organisation's formal and informal communications. This is because information is a key resource within an organisation and dissemination of information is judicious to Organisational Growth.

The reporting structure of an organisation in its earlier stage is appropriate for a smaller business emerging from the direct personal control of its original founder owner. However, as the organisation grows in size and

complexity the earlier organisation structure may no longer suffice (Baily, 2006). Baily (2006) pointed out that when the reporting structure no longer suits the organisation, there are usually obvious warning signs, such as work overload experienced by managers, with a series of complaints, stress and long delays in task accomplishments. Other warning signs, as identified by Garnsey et al. (2006), include administration tasks piled up waiting attention, financial returns being increasingly late, employment and HR processes being in shambles, frequent communication breakdowns, staff frustration, staff satisfaction levels drop, exit of the best staff, internal politics becomes a problem with corporate infighting taking place. This results in the company increasingly relying on external contractors and professionals to do core organisation tasks (Bartelsman et al., 2005). Bottazzi et al. (2002) suggested that the key challenge for the business at this transition point is to recognise the existence of warning signs of bureaucratic inertia in the organisation and to establish, comprehensively, a broad-scale manner in which the hierarchical layers in the organisation will generate new ideas and initiatives.

Dawid (2006) suggested that bureaucracy should be reduced and fewer business units created with far flatter and less bureaucratic levels when compared to previous hierarchical structures. Furthermore, there should not be sedentary or static structural forms but constant changes should exist with the ability to empower peripheral individuals/employees (Cracker and Melson, 2007). Cracker and Melson (2007) also showed the importance of recognising knowledge as an organisational asset with the ability to lever organisational learning and knowledge to provide competitive advantage. According to Sparrowe and Liden (2005), to curb bureaucratic challenges that could make the company slip into decline and most likely failure, strategic changes have to be made. These changes, as suggested by Sparrowe and Liden (2005), are in conformity with those suggested by Dawid (2006) as discussed earlier. Notably, both formal and informal networks can be used to assist an organisation to access important strategic resources, identify opportunities and bring together innovative teams (Detert et al., 2007; Schermerhorn, 2008).

There is a widespread belief that decentralisation and informal organisational structures facilitate innovations and growth (Shuan and Chang, 2009). Martin and Tian (2010) observed that the flexibility and openness of these types of organisations are believed to enhance innovations and performance by encouraging new ideas. Presently, some Nigerian SMEs are experiencing

dwindling growth as a result of existing reporting structures not favourable to the organisational activities (Devaro and Brookshire, 2007). Ducherse (2006) however, observed that there are reformations but due to inadequate reformation strategies of the organisational structures, the growth rate is not encouraging. Accordingly, Church (2005), when considering present realities in Nigerian SMEs, proposed an organisational structure model which could be appropriate for development of high-performance in the respective SMEs. Church (2005) put the model into precise terms to serve as a healthy and sustainable development of Nigerian SMEs.

Robbins et al. (2009) identified the changing process and the current problems of the SMEs in a country with rapid development and profound changes in the political and economic system. Summarily, the results suggest that for SMEs to be more effective in attaining economic objectives to foster growth there should be appropriate reporting structure, diversification of the funding base and an increase in revenue opportunities (Eagly et al., 2003).

Farrel and Finkelstein (2011) re iterated the proposal of changing the organisational structure of most Nigerian SMEs to enable employees work more effectively and efficiently and consequently increase Organisational Growth. However, Cropanzano and Mitchel (2005) posited that there are theoretical implications in the way changes in organisational structure can influence organisational activity and the underlying rationale for making such changes is considered critically. A series of key performance indicators to measure the success of these changes are necessary (Coyle-Shapiro and Shore, 2007). The authors asserted that through strategic thinking, the failure or success in most SMEs can be traced directly to their strengths and weaknesses. Schaufeli and Bakker (2004) contended that in strategic thinking, choices and decisions are made by top-level strategists, as they ensure both the effective use of resources and effective management of the bureaucratic processes. The authors also suggested that the middle-level bureaucratic implementers of strategy and the lower level employees should be carried along in decision making.

Ojedokun (2008) discovered that the flaw in most Nigerian SMEs is primarily at the top decision-making level and not amongst the middle or lower levels, where individuals fulfil key structural roles, which is of great importance to the success or failure of strategy. On one hand, the characteristics of bureaucracy indicate that an

organisation is bureaucratic in nature, with unfavourable detracting workplace friendships. Bureaucratic characteristics lead to negative feelings of employees at work impeding workplace friendship (Okaro and Ohagwu, 2010). Bureaucracy is prevalent in organisations, though not enjoyed by employees (Schaufeli and Bakker, 2004). Prior research has indicated that bureaucratic organisational structures enhance formalisation and centralisation which impedes an individual employee's initiative and ability to help co-workers (Raub, 2008). Furthermore employees that work in such organisations do not receive enough support from co-workers (Stamper and Van Dyne, 2001).

Previous findings by Wasti, (2003) and Zhong (2007) suggest that bureaucracy influences workplace interactions among employees. Nevertheless, the behaviours of assisting co-workers and receiving co-workers' support are intended to enhance performance and not informal person-related interactions termed workplace friendship (Duchese, 2006). Furthermore, some employees view assistance from co-workers as a job requirement implying that assistance from co-workers does not necessarily mean friendship (Kruger et al., 1995).

Bureaucracy has the characteristics of hierarchy, rigidity, formal procedures/rules and impersonality (Matheson, 2007). These characteristics form the basis of the relationship between bureaucracy and workplace friendship. Hierarchy is significant in any bureaucratic system and entails high-level employees' control and supervision of employees at the low-level (Robins et al., 2009). Similarly, the hierarchy of authority gives credence to control imperative (Matheson, 2007). Sequel to the control and supervision of employees to abstain from non-work-related activities in the workplace, employees in bureaucratic organisations are likely to have less person-related (i.e. non-work-related) informal interactions at work leading to reduced workplace friendship. Bureaucracy consists of rigid and formal procedures/rules which guide activities in the organisation (Zhou and George, 2003).

Employees in bureaucratic organisations act in accordance with those procedures/rules. This may hinder the flow of information for informal interactions among the employees but ensures they perform their jobs effectively (Ajen, 2004). This is because the rigidity and formality of procedures/rules lead those employees to focus on those procedures/rules; thus hindering informal interactions which may result in employees in bureaucratic organisation having less workplace

friendship. Workplace friendship is described as informal and person-related interactions in organisations (Bolino et al., 2008). The authors contended that workplace friendship improves support and information sharing, enhancing important motivation, job performance and satisfaction, job involvement and organisational commitment, reducing turnover intention.

In reiterating this assertion, Balkundi and Turnley (2006) posited that the absence of workplace friendships for an employee reduces the employee's job progress. However, Avery and McKay (2006) argued that workplace friendship has gossip and favouritism as a negative function but that this can be supervised by managers using company policies. Consequently, managers encourage friendship among employees in the workplace (Berman et al., 2002). Many scholars have focused on studies on workplace friendship (Mao, 2006; Tse and Dasborough, 2008) and indicated that future studies should emphasise factors influencing employees' workplace friendship in relation to the reporting structure and growth of the organisation. This is because workplace friendship will help raise employees' job performance and in turn be beneficial in enhancing organisational performance.

A study by Ofeogbu and Akanbi (2012), examining the influence of strategic agility on perceived performance of manufacturing firms in Nigeria, employed the survey design method. A total of 230 questionnaires were distributed. The independent variable, strategic agility, had its dimensions as strategic sensitivity, collective commitment and resource fluidity. The dependent variable was perceived organisational performance. The results revealed that strategic sensitivity, collective commitment and resource fluidity were positively related to perceived organisational performance. Quality management literature has shown that soft and hard factors are positively related to firm performance (Abdullah et al., 2009).

However, this study adopts a qualitative approach in evaluating already identified soft and hard factor dimensions of Organisational Health in relation to their influence on the survival and success of SMEs. Unlike the study by Ofeogbu and Akanbi (2012), this study used interviews as a data collection method.

In the study by Abdullah et al. (2009), the relationship of performance with soft factors and quality improvement was examined using 350 structured questionnaires. Parametric tests such as correlation and regression analysis were carried out. These statistical techniques were deemed suitable for analysing the

hypothesised relationships. The findings revealed that the soft factors have significant influence on firm performance. Various other studies provide empirical evidence supporting this relationship. The relationship between eight dimensions (soft and hard factors) of quality management and performance was examined using a path analysis Pearson Product Moment Correlation and SPMC (Flynn et al., 1995, in Abdullah et al., 2009). The relationship between twelve dimensions of quality management and performance was also examined using bivariate correlations (Powell, 1995 in Abdullah et al., 2009).

Similarly, Adam et al. (1997) examined the relationship between a set of nine dimensions of quality improvement and quality performance using Pearson Product Moment Correlation, SPMC and multiple regression analysis. Samson and Terziovski (1999) developed six dimensions of quality management which were regressed against organisational performance. Rahman and Bullock (2005), in examining the relationship between soft quality management dimensions and performance, also used regression analysis and Spearman Rank Correlation.

Contrary to the quantitative techniques used, Iveroth (2010), in the study titled framework for the practice of leading global IT-Enabled change, used case studies which consisted of archived data, observations and in-depth interviews with managers that acted as change agents and employees that initiated, designed, sponsored and implemented change. Iveroth (2010) argued that the way organisations manage people and their behaviour, motivation, attitude, culture and mind-set are the hardest factors to get right in managing change.

Furthermore, striking the right combination and balance between hard factors (technological, economic and structural issues) and soft factors (people, social and organisational issues) is vital to performance and success. To validate findings from participants, drawn data originated mainly from interviews, observations and internal documents. The empirical data was collected in two perspectives; retrospectively and in real time. The internal documents were collected retrospectively between 2004 and 2006 while the observations and interviews took place in real time between March 2006 and June 2009. A total of 29 interviews were conducted and 1,354 pages of internal documents collected.

In the study entitled The Role of Human Resource Practices in Large Scale Industries in Rural Areas of Pune District, Vithoba (2012) conducted a series of

interviews with individuals in order to develop a preliminary understanding of the field of HR practices in organisations. A sample size of 276 employees, made up of managers and non-managers, were interviewed. The research intentions were made clearer as a result of the interviews. This study found that HR practices play a key role in the growth of organisations, especially large scale industries in rural areas. Efficient and effective human resource practices result in having productive individuals who eventually minimise human resource associated problems consisting of job dissatisfaction, absenteeism, or turnover of employees.

In the study Nurse Managers' Leadership Styles in Finland, semi structured and open-ended interviews were conducted with 11 nurses and 10 superiors by Vesterinen et al. (2012). Using these interviews, data was gathered based on the perceptions of nurses on the nurse managers' leadership styles and factors affected by leadership styles. Interviews were carried out in various offices in the participants' workplace. The consent of individuals was sought before recording. Each interview was approached on individual basis and guided by participants' responses. Interviewing continued until data saturation was achieved. In the study, six leadership styles were identified; visionary, coaching, affiliate, democratic, commanding and isolating. Job satisfaction and commitment as well as operation and development work, cooperation, and organisational climate in the work unit were identified as factors affected by leadership styles.

Durst and Wihhelm (2011) shared a parallel view in the use of the qualitative method in their study, Knowledge Management in Practice: Insights into a Medium-sized Enterprise's Exposure to Knowledge Loss. The authors adopted a qualitative research approach, using semi-structured interviews with seven members of the top and middle management of a German medium-sized enterprise operating in the printing sector. The small number of employee allowed a greater depth of research. Data was collected through semi-structured interviews with the seven critical employees of the firm. According to Maykut and Morehouse (1994), the semi-structured approach is regarded as appropriate when very little is known about the subject in hand and is consistent with previous research in the field (Nunes et al., 2005; Egbu et al., 2005 and Hutchinson and Quintas, 2008).

2.7 SUMMARY

Researches from industrialised countries have empirically shown that soft and hard factor dimensions are positively related to firm performance and in turn growth (Abdullah et al., 2009). However, most of the researches adopted

the quantitative approach. This study adopts a qualitative approach to achieve its aim, which is to phenomenologically evaluate the interpretation of the non-financial dimensions of Organisational Health in relation to the non- financial measures of growth of SMEs in the Nigerian context.

As stated under Justification of the Study in chapter one, the failure rate of SMEs in Nigeria has been on the increase despite the use of financial indices. Basil (2005) identified the wrong approach to people management and other resources as the most likely contributing factor to the premature death of SMEs. The author argued that improving firm performance and growth is of interest to SME leaders but they need to have many tools at their disposal; from finance to human resource practices. Efficient and effective HR practices play a key role in the

growth of organisations, producing quality, productive individuals that eventually minimise HR problems such as dissatisfaction, absenteeism and turnover of employees.

Ihua (2009), in considering key failure factors in SMEs, contended that management factors are more considered in the United Kingdom than in Nigeria. This leads to management inability and inefficiency in Nigeria and SMEs' failure in general. The author observed that a higher use of effective HR practices is directly related to higher levels of commitment to the organisation, trust in management, cooperation, OCB and ultimately Firm Growth. The identified themes and sub themes in related literature are as indicated in Table 2.22

Table 2.22. Themes and Sub-themes of this Study

Themes	Sub themes
Perceived Leadership	Leadership style
	Orientation
Managerial Capability	Human Relation Skills (flexibility, adaptability, versatility, emotional intelligence, time management, conflict management)
	Coaching
	Team work
	Learning
Accountability	Assigned roles
	Authority
	Feedback process
	Knowledge
Reporting Structure	Organogram
	Decision making
	Hierarchical structure
	Communication.

This constructivist study on the non-financial indices in Organisational Health and Growth reveals the influence the above soft and hard factor dimensions have on the non-financial measures of growth of the Nigerian Manufacturing Firms, thereby giving answers to the research questions of this interpretive study; Which are ;

1. What is the perception of the non-financial soft and hard factor dimensions of Organisational Health in the Nigerian manufacturing SMEs?
2. What is the influence of the non-financial soft and hard factor dimensions of Organisational Health on the non-financial elements of growth in the Nigerian manufacturing SMEs?

CHAPTER THREE

METHODOLOGY

3.0 INTRODUCTION

This study on a phenomenological evaluation of Organisational Health and growth of SMEs in Nigeria determines the research philosophy, approach and methodology in line with other related literature. The aim of this study is to phenomenologically evaluate the interpretation of the non-financial dimensions of Organisational Health in relation to the non-financial measures of Growth of SMEs in the Nigerian context. To achieve this aim, two research questions are asked;

1. What is the perception of the non-financial soft and hard factor dimensions of Organisational Health in the Nigerian manufacturing SMEs?
2. What is the influence of the non-financial soft

and hard factor dimensions of Organisational Health on the non-financial elements of growth in the Nigerian manufacturing SMEs?

To answer the research questions, this chapter explains the adopted research philosophy, approach and methodology employed by the study. The methodology encompasses the research design, ontological position and epistemological assumptions that make up the research paradigm. The sample size, methodological approaches and data collection methods are also discussed. Also in this Chapter is the justification of the research paradigm adopted, population, sample size and data collection method. The research paradigm, approach, and methodology which include research design, type of study, techniques and time horizons, are as depicted in Figure 3.1.

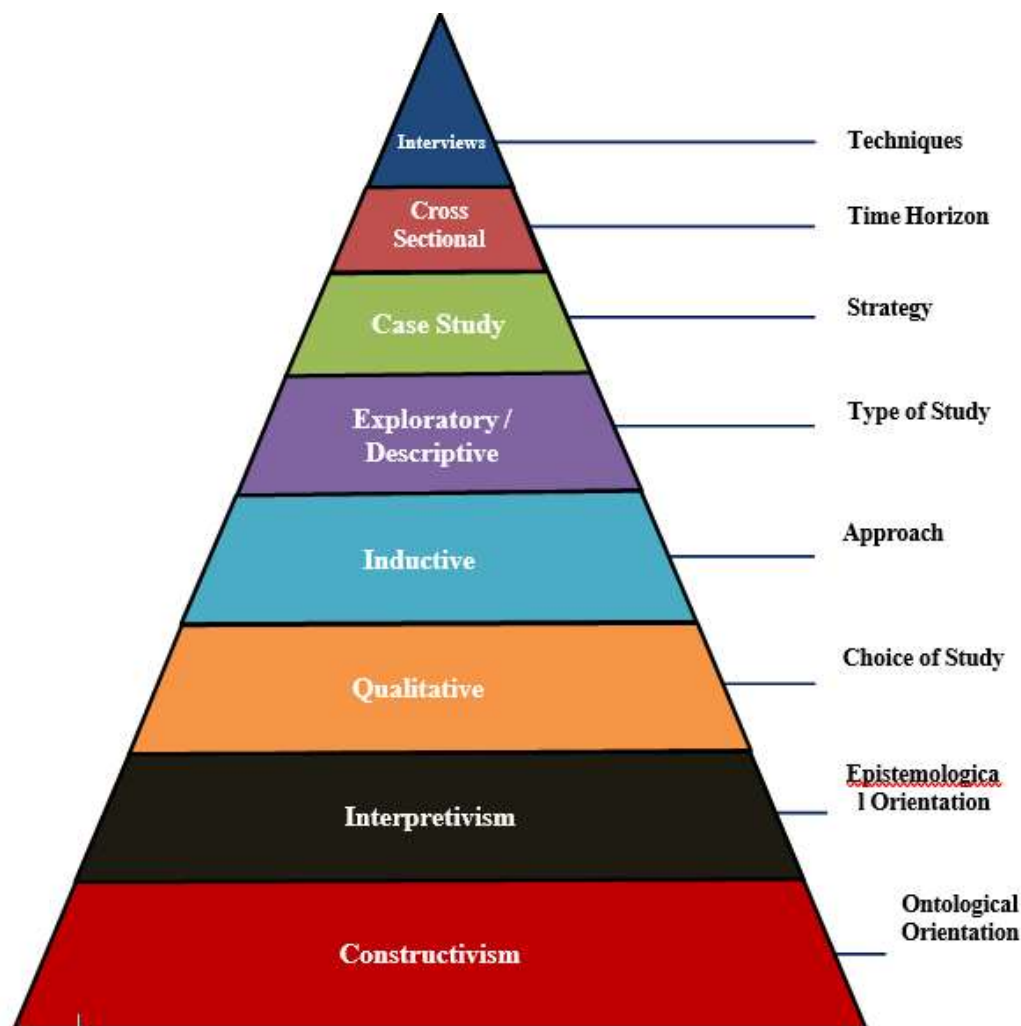


Figure 3.1. Diagrammatical Representation of the research Paradigm of this Study

Table: 3.1 Description of different layers in Figure 3.1

S/No.	Colour Layer	Names	Description
1	Layer 1	Philosophical Stances Ontological orientation; (Constructivism)	These are valid ways to approach research.
2	Layer 2	Epistemological orientation (Interpretivism)	Giving meaning to phenomena using the perception of social actors.
3	Layer 3	Choices (Qualitative)	Decision on the study being either qualitative, quantitative or both
4	Layer 4	Approaches (Inductive)	Inductively evaluating phenomena
5	Layer 5	Type of study (exploratory and descriptive)	Describing the phenomena of the study.
6	Layer 6	Strategies (Case Study)	This is the process adopted in data collection.
7.	Layer 7	Time Horizons (Cross Sectional)	This is concerned with the time duration of the study.
8.	Layer 8	Techniques & Procedures (interviews)	Decisions on means of collecting data.

3.1 RESEARCH PARADIGM

A research paradigm depicts a set of practices and beliefs closely related to a specific style of research therefore reveals that research is mostly conducted in consonance with a particular philosophy, world-view and that of other scholars who agree with the same research paradigm sharing same views (Denscombe, 2010).

A research paradigm consists of three main components; Ontology, epistemology, and methodology (Grix, 2002). Grix (2002) postulated that social science researches commence with ontology which precedes the epistemological and methodological views of the researcher. Blaikie (2003) describes ontology as the science or study of being. The author, in describing ontology, explains the assumptions about social reality in respect of what exists, its resemblance, the components that make it up and the interaction between the components. Bisman (2002) considers ontological assumptions as what initiates social reality. Ontology is further described by Blaikie, (2007) as being concerned with the philosophy of existence and the assumptions and beliefs of the researcher as regards the nature of being and existence.

The issue of a social entity being considered an objective entity or a social construction constitutes the ontological orientation (Bryman and Bell 2007). The authors referred to an objective entity as objectivism and social construction as constructivism. The perceptions and actions of social actors constitute social construction

In view of the aim of this constructivist study, to evaluate phenomenologically the interpretation of the non-financial dimensions of Organisational Health in relation to the non- financial measures of Growth of SMEs in the Nigerian context, the ontological position of this study is constructivism, taking into consideration the social actors in SMEs and their perceptions.

Epistemology refers to the theory or science of the method of knowledge acquisition (Blaikie, 2003). The author posited that it is the manner or process through which knowledge of social reality is acquired. Consequently, epistemology describes acquisition of knowledge about what is presumed to be in existence (Blaikie, 2003). Thomas (2004) contended that in the social sciences, two predominant epistemological orientations are positivism and constructivism (also known as interpretivism).

This study on a phenomenological evaluation of Organisational Health and the growth of SMEs in Nigeria evaluates the dimensions of Organisational Health (perceived leadership,

managerial capability, accountability and reporting structure) in relation to the non-financial measures of growth (survival and success). Consequently, the epistemological orientation of this study is interpretivism which assumes that the world is not essentially meaningful but is made meaningful by people's definition and interpretation of it (Thomas, 2004).

Finally, the methodology describes the means of knowledge determination, generation and justification (Blaikie, 2003). Concerning methodology, researchers such as Marvasti (2004) and Bryman and Bell (2007) distinguish between quantitative and qualitative research. To reiterate the research aim and objectives of this interpretivist study, below are the aims and objectives respectively.

Aim

To evaluate phenomenologically the interpretation of the non-financial dimensions of Organisational Health in relation to the non-financial elements of Growth of SMEs in the Nigerian context

Objectives

1. Evaluation of already identified non-financial dimensions of Organisational Health in relation to Firm Growth in published related literature.
2. Evaluation of already identified non-financial dimensions of Organisational Health in relation to the non-financial elements of Firm Growth in the Nigerian manufacturing SMEs.

Sequel to the research aim and objectives of this study as stipulated above, the qualitative approach is adopted in this study and used to inductively and holistically understand human experiences in context-specific setting; that is the Nigerian setting. By adopting a qualitative approach, a clear knowledge about the phenomena under investigation is required and tested in its wider context over time. Adopting the qualitative approach, the sample used is

not as large as that used in quantitative approach to enable an in-depth understanding of the phenomena in the Nigerian context.

In this phenomenological study which adopts the qualitative approach, inquiry and evaluation about knowledge claims is made based on constructivist perspectives for developing knowledge and employing strategies, such as case studies with the use of open-ended data and emerging data with the primary intent of developing themes from the data. Fleetwood and Hesketh (2008) posited that researchers have to determine their research paradigm before constructing the research design. This determination of the research paradigm is important due to its implication on the choice of methodology.

Adopting the phenomenological (qualitative) paradigm entails the use of an inductive approach with research methodologies like case studies. Consequently, this study inductively and holistically evaluates the dimensions of Organisational Health in relation to the non-financial measures of growth. Johnson and Onwuegbuzie, (2004) suggested several criteria to be used in determining the appropriate research approach. The criterion includes the research topic and time available to the researcher. The author observed that a topic with a wealth of literature that helps in generating a theoretical framework and hypotheses requires the deductive approach. However, it may be more appropriate to adopt the inductive approach for research into a fairly new topic with little existing literature. Concerning the time factor, Bryman (2008) observed that deductive research can be quicker to complete while inductive research can be much more protracted since human interests are the main drivers of the science.

3.1.1 Choice and Justification of Research Paradigm

Based on the aforementioned philosophical paradigms and criteria, this study adopts a constructivist paradigm using a qualitative inductive approach which believes that social phenomena are actually constructed by social actors (Bryman and Bell 2007). The constructivism approach is adopted because human interest is the main driver of the science. The data on perceived leadership, managerial capability, accountability and reporting structure in organisations needed for the study is derived from human resources (social actors). The aim is to increase general understanding of situations and induce ideas from gathered rich data, and not necessarily create a new theory. This approach is used to inductively and holistically understand human experiences in context-specific setting using strategies such as case studies. Craswell (2003) postulated

that qualitative paradigm requires clear knowledge about the phenomena under investigation. This is then tested in its wider context over time. It is therefore evident that valuable information may be missed by relying solely on objective reality. Based on the nature of the research questions, this research is classified as exploratory research, adopting a cross-sectional research design. This is because exploring the soft and hard factor dimensions of Organisational Health in organisations involves looking into the complexities of each of them (perceived leadership, managerial capability, accountability and reporting structure) as it concerns the employees and ultimately Firm Growth.

Given the exploratory nature of this study on Organisational Health and being consistent with similar researches in the field such as Amabile (2009), Jaja (2009) and Eleni et al. (2011), a qualitative research approach is apt as it allows the researcher to get close to participants and their thinking in order to scrutinise the entire research problem.

3.2 RESEARCH DESIGN

Creswell (2003) argues that a researcher should choose the research design at an early stage of the study to enable the determination of the research methodology, data collection methods, data analysis and interpretation methods. It is important to differentiate between research techniques and design. Baridam (2002) indicates that research techniques are the methods used for data collection while the research design is concerned with the plan and, logic behind the research which makes it possible to draw general conclusions.

Ghuri and Grønhaug (2002) point out that in determining the choice of research design, the researcher must ensure that the questions are answered in the best possible way taking into consideration issues such as time and budget. Furthermore, the authors argued that the choice of research design takes into cognisance the process of either testing a theory or building a theory. It is pertinent to know that although this is a qualitative study, adopting the inductive approach; it is not geared towards building a new theory. However, this constructivist study evaluates the perception of the social actors in respect of the dimensions of Organisational Health and the influence of these dimensions on the non-financial measures of growth. As already discussed this study adopts the inductive approach which is a form of reasoning that involves the inference that an instance or repeated combination of events may be universally generalised (Malhorta and Birks, 2007). This is consistent with the study of Ghauri and Gronhaug (2002).

Secondly, the research design consists of the type of research. Based on the research problem, three types may be distinguished; exploratory, descriptive and explanatory research. The essence of exploratory research is to particularly clarify and increase understanding of research phenomena (Saunders et al., 2009). It majorly fosters the discovery of ideas and insights into existing problems (Churchill and Iacobucci, 2002).

Consistent with Churchill and Iacobucci (2002), this study is an exploratory study that evaluates to get clarification and understanding of the non-financial dimensions of Organisational Health and measures of growth in the Nigerian perspective.

Giauqu et al. (2012) postulated that a research design, as a systematic plan to study a scientific problem, defines the study type, (descriptive, co relational, experimental, review), research aim, research questions, hypotheses, dependent and independent variables, unit of analysis, time horizon and data collection methods. The author described research design as the framework created to seek answers to research questions.

Type of study

This study can be classified as a descriptive study, in line with Ofeogbu (2012). Descriptive studies can be used in fairly new areas of inquiry (Ofeogbu, 2012). The author contended that under this study type, scientific process begins with description based on observation of events from where theories may latter be developed to explain the observations. However, in this constructivist study, theories are not developed but descriptions are made in respect of the research phenomena. Techniques used to describe behaviour include, naturalistic observations, interviews and case studies, as used in this study. Baridam (2012) observed that naturalistic observation is an approach of gathering information where people or animals are observed in their everyday behaviours and where behaviours of interest are documented.

Interviews are adopted in this study because as Aniete and Sunday (2012) asserted, unstructured interviews give the participants freedom to share their experiences, history and performance. In addition, the participants have the liberty to voice their individual perceptions and encounters, either as a manager or a subordinate. In this study, in-depth information

in respect of the dimensions of Organisational Health, (perceived leadership, managerial capability, accountability and reporting structure) and their influences on Firm

Growth (survival and success) were required from employers and employees. Consequently, the use of interviews was apt for this study.

The criterion and predictor relationship can be seen in the elements depicted in the research aim and objectives of this study. To achieve the research aim and objectives of this study, two research questions were asked.

Table 3.2 Research Questions

S/No	Research Questions
1.	What is the perception of the non-financial soft and hard factor dimensions of Organisational Health in the Nigerian manufacturing SMEs?
2	What is the influence of the non-financial soft and hard factor dimensions of Organisational Health on the non-financial elements of growth in the Nigerian manufacturing SMEs?

3.3 RESEARCH POPULATION AND SAMPLE

Research population refers to the entire group of people, events or things of interest being investigated (Levin, 2006). The population frame is a listing of all the elements in the population from where the samples are drawn. The population for this research is the manufacturing SMEs in the Niger Delta region of Nigeria.

The rationale for targeting Nigerian SMEs is to implicitly control the large number of confounding variables that can substantively affect results from multi-industries. In addition to this, the SMEs are more prone to high mortality rates and stagnation (Jaja, 2009) and are therefore more relevant in this study. The SMEs clearly reflect the constructs of this study.

Justifying the use of manufacturing SMEs, similar to other countries in the world, Japan and the USA encourage active policy efforts in sustaining SMEs in the manufacturing sector (Shapira, 2008). This is because the manufacturing SMEs are often engaged in routine production in many industries and are part of a supply chain producing components for other sectors. Rajiv and Rajan (2014) asserted that global competition forces SMEs to improve their competitiveness by enhancing their manufacturing performance. Similar studies in Nigeria by Ihua (2009), Ofeogbu and Akanbi (2012) and Aniete et al. (2012) focused on the manufacturing sector since it is the sector responsible for production of goods used for the prosperity of any economic enterprise.

Sampling is crucial due to lower cost, greater accuracy, greater speed of data collection and the availability of population elements (Cooper and Schindler, 2001). According to the author, a representative sample should

be large enough to satisfy the needs of the study, should be chosen at random and be unbiased.

Durst and Wihhelm (2011) suggested that for a qualitative study, a smaller number of employees allows for a greater depth of research since enough time is allocated to each participant. A total number of seven participants were involved in the study by Durst and Wihhelm (2011). Martin and Staines (1994), lending support to this idea, argued that a small number of interviewees is better for an in-depth interview and consequently conducted only thirty interviews for their study.

Similar studies in Nigeria have used a smaller range of participants. Iveroth (2010), in the study on the Impact of Human Resource Management on Growth, conducted twenty nine interviews. In the study of Managerial Competencies and Performance, Vesterinen et al. (2012), involved twenty one participants. Perren and Grant (2001), in their study of Management and Leadership, interviewed twenty one participants. Leah and Kenny (2000), in their study of Managerial Competencies in Small Firms interviewed thirty participants.

Taking these examples into consideration, a sample size of thirty participants is used in this study drawn from ten SMEs, selected from five states out of the nine states in the Niger Delta region. Reference Table 2.2 in Chapter Two, Aluko (2013) depicted a sector distribution of SMEs surveyed in the Niger Delta. In the table, there are nine states in the Niger Delta region. Iheke et al. (2014), in the study of SMEs in the Niger Delta, conducted a survey in four states in the Niger Delta; Abia, Akwa-Ibom, Delta and Rivers States. This choice was made because they are known centres of economic activity around which industrial establishments and SMEs cluster. Due to time and financial constraints, half of these the

nine states were selected (rounded up from 4.5 to 5). The criteria for the selection of the five states in the Niger Delta region was taken from the study of Iheke et al. (2014), with four states and an additional one selected.

To achieve the target of a total of ten SMEs, two SMEs were selected in each state through non-probability sampling technique. The non-probability sampling technique does not involve random selection. This was used because all the fifteen SMEs visited were not favourably disposed to participate in the interview. Consequently the ten that accepted to participate in the interview were selected. From each of the ten SMEs (two from each of the five states), three participants were selected, which gives the total of thirty participants required for this study.

The three participants from each SME consisted of;

- One employee from the strategic management level
- One employee from the tactical (middle organisational level)
- One employee from the operational (lower organisational level).

Stratified sampling technique was used because the choice of participants was made from the three different organisational levels (strategic, tactical and operational).

In considering the aim of this study, which is to evaluate and give a phenomenological interpretation of the non-financial dimensions of Organisational Health in relation to the non- financial measures of Growth of SMEs in the Nigerian context, the following observations were made

1. Based on perceived leadership, leadership is at the strategic level while perception of the leadership is by those at the middle and lower levels of the organisation.
2. Managerial capability is required of those in the strategic and also middle level leadership positions. The effect of the managerial capabilities being exacted is usually on all employees.
3. Accountability, which entails being informed of role expectations and giving feedback involves everyone in the organisation, irrespective of their organisational level.
4. Reporting structure, which entails reporting to a line of authority, also involves each person in the organisation.

These observations made it clear that this study needed to involve participants from each level of the organisation, so as to have holistic information. Therefore, a decision was made to select one participant each from the strategic, middle and lower organisational levels to make up the three participants from each SME. In addition, similar studies by Iveroth (2010), Vesterinen et al. (2012) and Aniete and Akpan (2014) consisted of participants from the management and lower levels of the organisation. In other words, both managers and subordinates were interviewed.

3.4 DATA COLLECTION METHOD

This is an integral part of research design. The appropriate selection of data collection method enhances the value of the research (Baridam, 2012). In particular, the selected methods should enable the researcher achieve the desired objectives of the study. The author posited that data can be collected in a variety of ways, in different settings and from different sources. Qualitative methods of data collection include interviews, focus groups and observations. This study, being a qualitative study, collected data through interviews. Aniete and Sunday (2012) asserted that unstructured interviews give the participants freedom to share their experiences, history and performance. In addition, the participants have the liberty to voice their individual perceptions and encounters, either as a manager or subordinate. In this study, in-depth information in respect of the dimensions of Organisational Health (perceived leadership, managerial capability, accountability and reporting structure) and their influences on Firm Growth was desired. Interviews can either be structured or unstructured, face to face, through telephone or online, as observed by Ahiauzu, (2010). The author posited that the advantage of interviews is that they improve response rates and give room for a prepared explanation of the purpose of the study. In addition, they provide an opportunity to contact interviewees and motivate them to provide additional information and reliable answers. However, interviews can be expensive and time consuming if considering the coverage of a wide geographic region. There are also risks of interviewer bias to be taken into consideration (Sekaran, 2003)

The questions to be asked in the interview should comprise of both open-ended and closed questions. In the case of open-ended questions, the researcher does not provide any set of responses (McDonnell, et al., 2007). The participants rather have the liberty to answer the questions in the way they choose. As regards the closed questions, participants make choices among a set of

alternatives given by the researcher. This helps the participants make quick decisions and enables the researcher to easily code the information. The closed questions can be categorised into list questions, which offer the participants a list of responses to choose from, and category questions.

This phenomenological study with a qualitative orientation, utilising inductive, exploratory approaches with case studies used qualitative collection methods of in-depth, semi- structured interviews. The participants, interviewed initially with phone, had follow-up, face- to-face interviews. The use of an interview guide with open ended questions as shown in appendix ix was adopted. The questions in the interview guide were used for interviewees at the strategic, tactical and operational levels. However the responses of the interviewees were from their individual perspectives in relation to their respective organisational levels. For instance the question on perceived leadership was answered by those at the strategic level in relation to their leadership styles. On the

other hand, that same question on perceived leadership was answered by those at the tactical and lower levels in relation to what they perceive the strategic leadership to be. Besides, the questions were only a guide that generated other valuable information from the participants.

3.5 DATA PREPARATION, PROCESSING AND ANALYSIS

Information letters and consent forms were sent to the management of each of the SMEs. The consent forms were duly completed by participants and dates for the interviews agreed upon by participants in the respective SMEs. The interviews were tape recorded and written notes taken. The accumulated data from the interviews were transcribed and coded. Nvivo software package was used for the coding process.

The data preparation, processing and analysis procedures as outlined by Baridam (2012) are as shown in Table 3.3.

Table 3.3 Data Analysis Procedures

Step	Action
1	Organise and prepare data for analysis which involves transcribing interviews, scanning material, typing up field notes, sorting and arranging the data into different types, depending on different sources of information. Subsequently upload the data to NVivo.
2	Carefully read through all the data to obtain a general sense of the information and to reflect on its overall meaning.
3	Begin detailed analysis with a coding process. A first order of coding is developed by the research and discussed/reviewed with a peer debriefer. This person reviews and asks questions about the qualitative study so that the account will resonate with people other than the researcher.
4	Using NVivo the data is coded to detect pattern association and develop relationship themes. These themes are then analysed within and across cases.
5	Rich thick narratives conveying the findings of each case is then presented

Source: Modified from Baridam, 2012

The data analysis procedures, as contained in Table 3.3, are adopted as a benchmark for this study. The coding process in this study involved sorting, integration and data reduction into themes otherwise known as codes. Coding was done in two stages; Open Coding, which is the initial categorisation of passages into codes representing the concepts and themes basic to understanding the interview questions, and Axial Coding, in which initial codes are linked and coded as a parent or final code.

Research question one, in respect of perceived leadership and managerial capability as soft factors and

accountability and reporting structure as hard factors, have prevailing themes, respectively, in the individual responses and a final parent code. Two examples from the series of responses are quoted in the subsequent tables, showing the occurrence of the prevailing themes. Tables 3.4 and 3.5 consist of the themes, sub themes and parent codes for the research questions. It is pertinent to note that the non-financial soft and hard factor dimensions of Organisational Health are in the table expressed as the identified themes.

Table 3.4. Coding Process Illustration with the Soft Factor Dimensions as Themes, Sub Themes and Final Code

Interview Question: What is the perception of perceived leadership in Nigerian manufacturing SMEs?	Prevailing Sub- themes	Final Code
<p>Examples of Responses</p> <p>'In my firm the management practices employee participation and encourages ideas through members using suggestion schemes. This has really helped in fostering unity and a shared sense of purpose amongst members thereby enhancing organizational performance and growth.'</p> <p>'In my organisation we practice a participatory form of management. The managers are also human relations oriented and this has really helped in boosting workplace relations and has been in the general interest of the organisation.'</p>	<ul style="list-style-type: none"> - Leadership style - Orientation 	Leadership
<p>Interview Question: What is the perception of managerial capability in Nigerian manufacturing SMEs?</p> <p>'Managers ought to be well trained with adequate learning skills and sufficient in any sphere into which they have been assigned. This is important in the pursuit of excellence. Also the ability to work as a team facilitates knowledge transfer, learning and sharing within the organization, thus increasing productivity and growth.'</p> <p>'With the right training, learning skills and knowledge, a lot can be accomplished by managers and others in authority. Competency plays a great deal in the day –to – day affairs of any organisation; especially in mine where there is so much competition and emphasis on skill and expertise given the prevailing competitive nature in the industry.'</p>	<ul style="list-style-type: none"> - Human relations Skills - Coaching - Team work - Learning 	Capability

Table 3.5. Coding Process Illustration with the Hard Factor Dimensions as Themes, Sub Themes and Final Code.

Interview Question: What is the perception of accountability in Nigerian manufacturing SMEs?	Categories and prevailing themes	Final Code
<p>'Employees have assigned roles and are up to date with job assignments. Most times jobs are assigned but no authority to do the job. In most cases one may not even have knowledge on how to do the job. This is because employees are not trained. On the job coaching is not sufficient. The world is dynamic and enterprises are dynamic as well hence obsolete knowledge will not suffice in doing the job. Feedback process is faulty because jobs overlap hence confusion comes in as regards who to give feedback. This adversely affects performance and productivity.'</p>	<ul style="list-style-type: none"> -Assigned Roles -Authority --Feedback Process --Knowledge 	Accountability

<p>'There are assigned roles but no authority to carry out the assigned roles. Most employees lack knowledge of their assigned roles. This brings about absence of feedback process hence performance cannot be said to be improving but deteriorating. This reduces productivity. Due to ignorance of most staff about their assigned roles, roles overlap. That is because some find themselves doing jobs already assigned to others hence duplicating efforts. Performance of employees is adversely affected, productivity decreases and growth dwindles.'</p>		
<p>Interview Question: What is the perception of reporting structure in Nigerian manufacturing SMEs?</p>		
<p>'The numerous levels are not favourable to the firm as decision making process takes longer time than it should be. Decision making is centralized among a few hence employees cannot use their initiative. Ease of communication does not exist between management and subordinates as a result of the numerous reporting lines. Inter personal relationship is hardly experienced as well. The interpersonal relationship that exists is mostly among fellow managers. This breeds bad performance which decreases productivity.'</p> <p>'No organogram exist. The structure is tall with several reporting lines that impede communication. Decision making process is very slow hence affects output and productivity.'</p>	<ul style="list-style-type: none"> -Organ gram -Decision Making -Hierarchical Structure -Communication 	<p>Reporting Structure</p>

3.6 RESEARCH ETHICS

Research ethics is of significance for this study and therefore has been addressed in the research ethics application to ensure that the sensitive nature of all information collected and involved in this study are protected and treated with utmost confidentiality. Attached to the research application is the consent form, interview guide and information letter. Ethical standards were upheld at every stage of this research process to ensure confidentiality. The aim and objectives of the study were clearly communicated to the participants. Participants were made to understand verbally and through the information letter that participation in the study is not compulsory but voluntary and, therefore, they could continue or decline from the research process.

3.7 SUMMARY

This chapter discussed the adopted philosophical paradigm (ontological and epistemological orientations), the choice of study (qualitative), the approach (inductive), and the type of study (exploratory and descriptive). It then zeroed down to the specific techniques for data collection and analysis with justifications. To generate insights relative to the research questions, a semi structured interview was deemed appropriate for data collection. A review of literature and the selection of the research questions pointed to the choice of philosophical paradigms and approaches appropriate for this study.

CHAPTER FOUR

DISCUSSION OF FINDINGS

4.0 INTRODUCTION

The findings of this study culminated to percentage coverings and a nexus of findings. The percentage coverings are shown in figures 4.1, 4.2, 4.3 and 4.4 while the nexus of findings is in Figure 4.5. The findings of this study are in appendix x. As stipulated in Table 3.4 and 3.5, there are four final codes derived from the initial themes and sub themes. The final codes are leadership, capability, accountability and reporting structure. Exported from Nvivo software, are the respective final codes, showing the percentage coverage of the respondents in relation to the questions under each code.

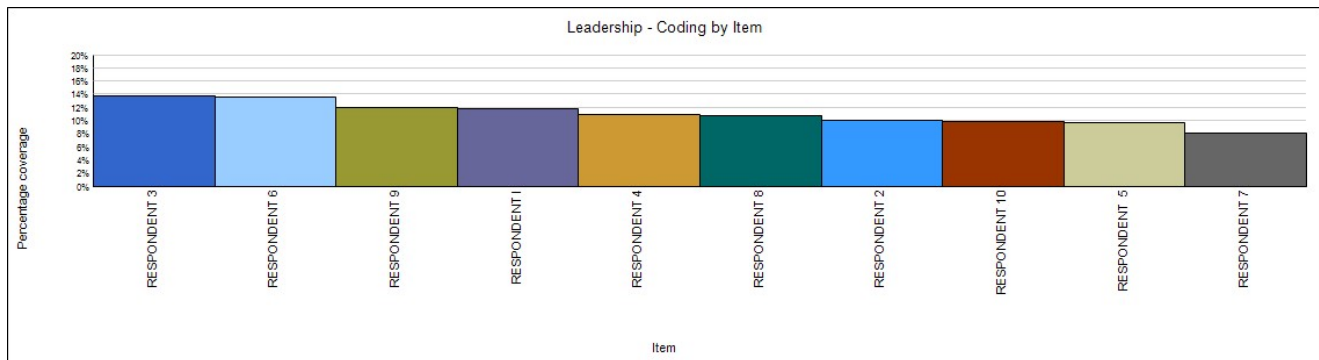


Figure 4.1 Leadership Percentage Coverage

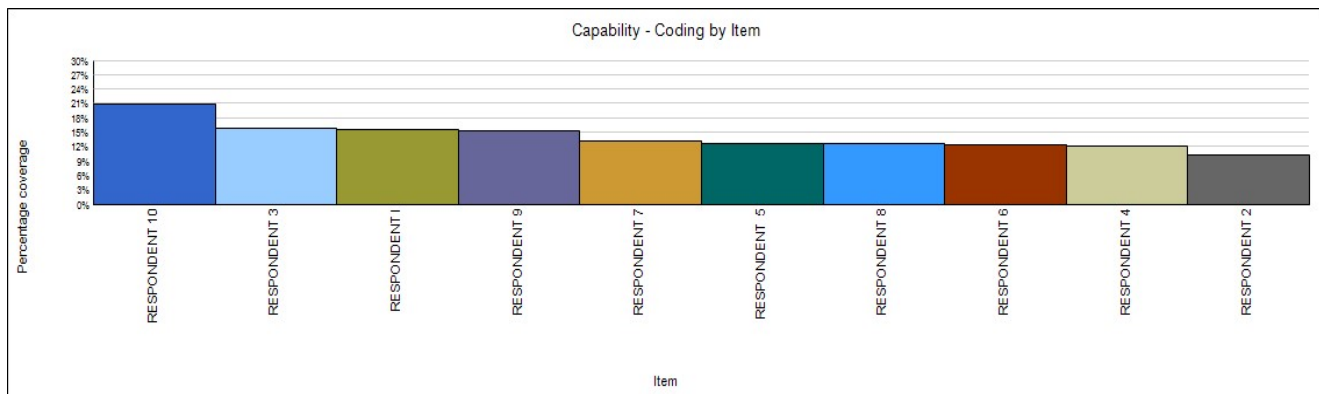


Figure 4.2 Capability Percentage Coverage

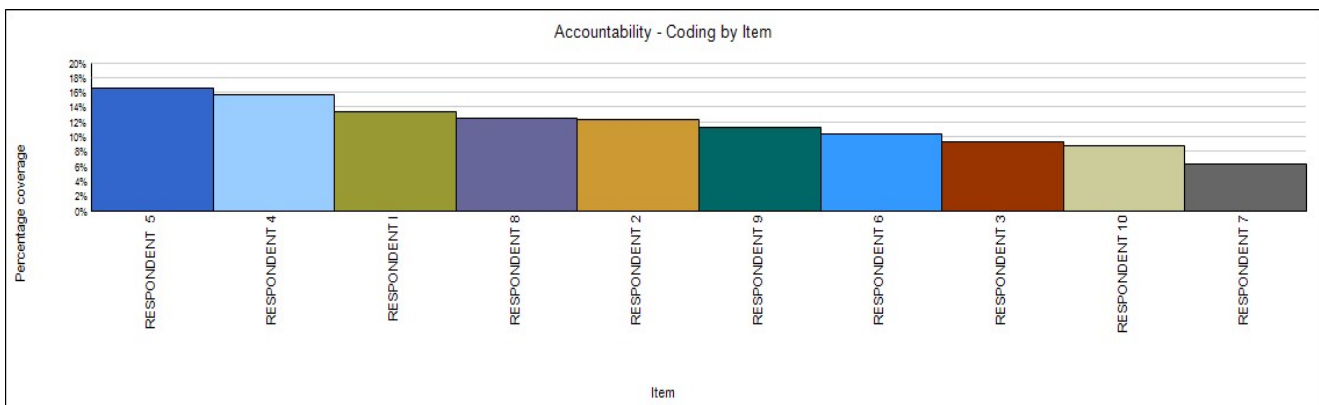


Figure 4.3 Accountability Percentage Coverage

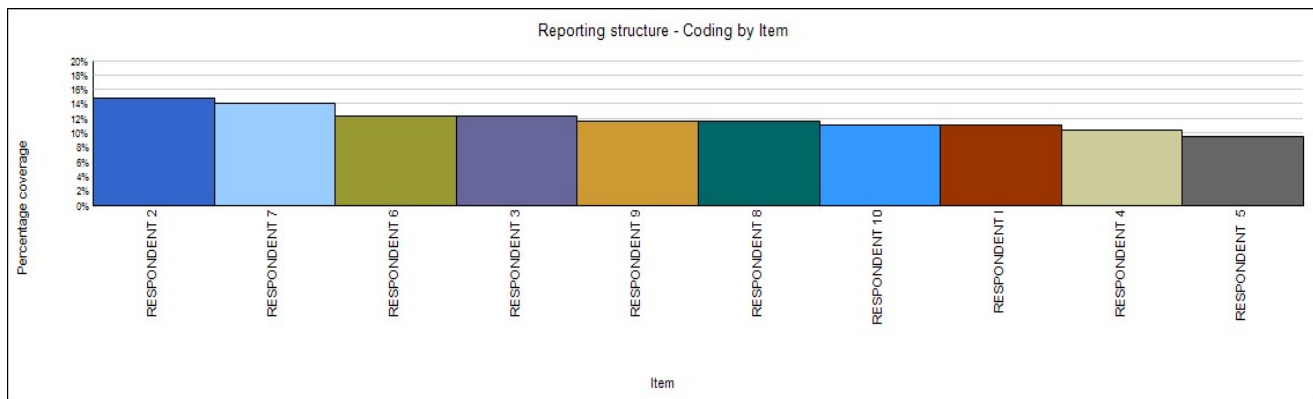


Figure 4.4 Reporting Structure Percentage Coverage

From the respective figures 4.1, 4.2, 4.3 and 4.4, it is obvious that capability has the highest coverage of 21 percent, seconded by accountability with 16 percent, then leadership and reporting structure with 14 percent each. Based on this percentage coverage, one can say that HR practices are expedient, therefore once applied, other dimensions may also take effect. Consistent with this, Haslinda et al. (2007) argued that the single greatest problem in any organisation is lack of managerial skills. Without developing skills and capabilities in management and in dealing with people, at best most people can give only mediocre leadership. Managerial

skills require people skills that come easier when solidly based on an understanding of human behaviour.

The above discussed findings culminate into a model depicting the parent codes that consists of themes. The model, otherwise known as a nexus, highlights inter relationships and linkages between parent codes, the differences in the different inter relationships and the connectivity of each of the parent code with firm growth. From findings in the study, the elements of Firm Growth success and survival are depicted as performance and productivity.

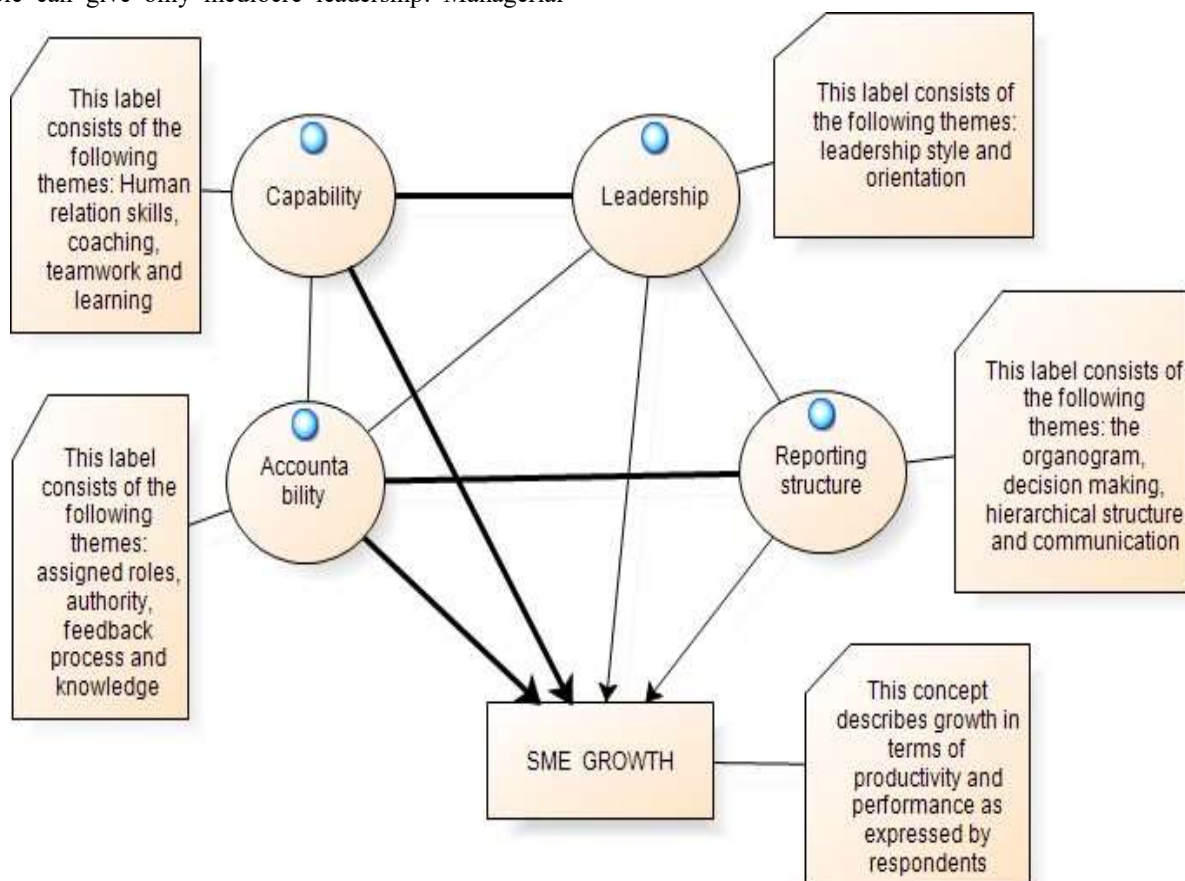


Fig. 4.5 Nexus of Findings Between Organisational Health and Growth of SMEs

The model demonstrates that there is connectivity and relationship between capability and leadership, capability and accountability, accountability and reporting structure and leadership and reporting structure. This inter relationship is depicted as a thin line without arrows, which indicates that there is no causal relationship. However, the thick lines reveal a stronger relationship between the concerned dimensions. This is seen between capability and leadership on one hand and accountability and reporting structure on the other. The arrowed lines show influence from the predictor variables on the criterion variables. That is capability; leadership,

accountability and reporting structure all have an influence on growth of SMEs. However, the thick lines represent a stronger and more significant influence on SME Growth. From the findings of this study, as shown in the model, capability and accountability have a stronger influence on growth of SMEs compared to the influence of leadership and reporting structure.

Figure 4.6 depicts a diagrammatical representation of the sequence of the discussion, having the four themes and their corresponding sub-themes as reflected in chapter two; Table 2.22.

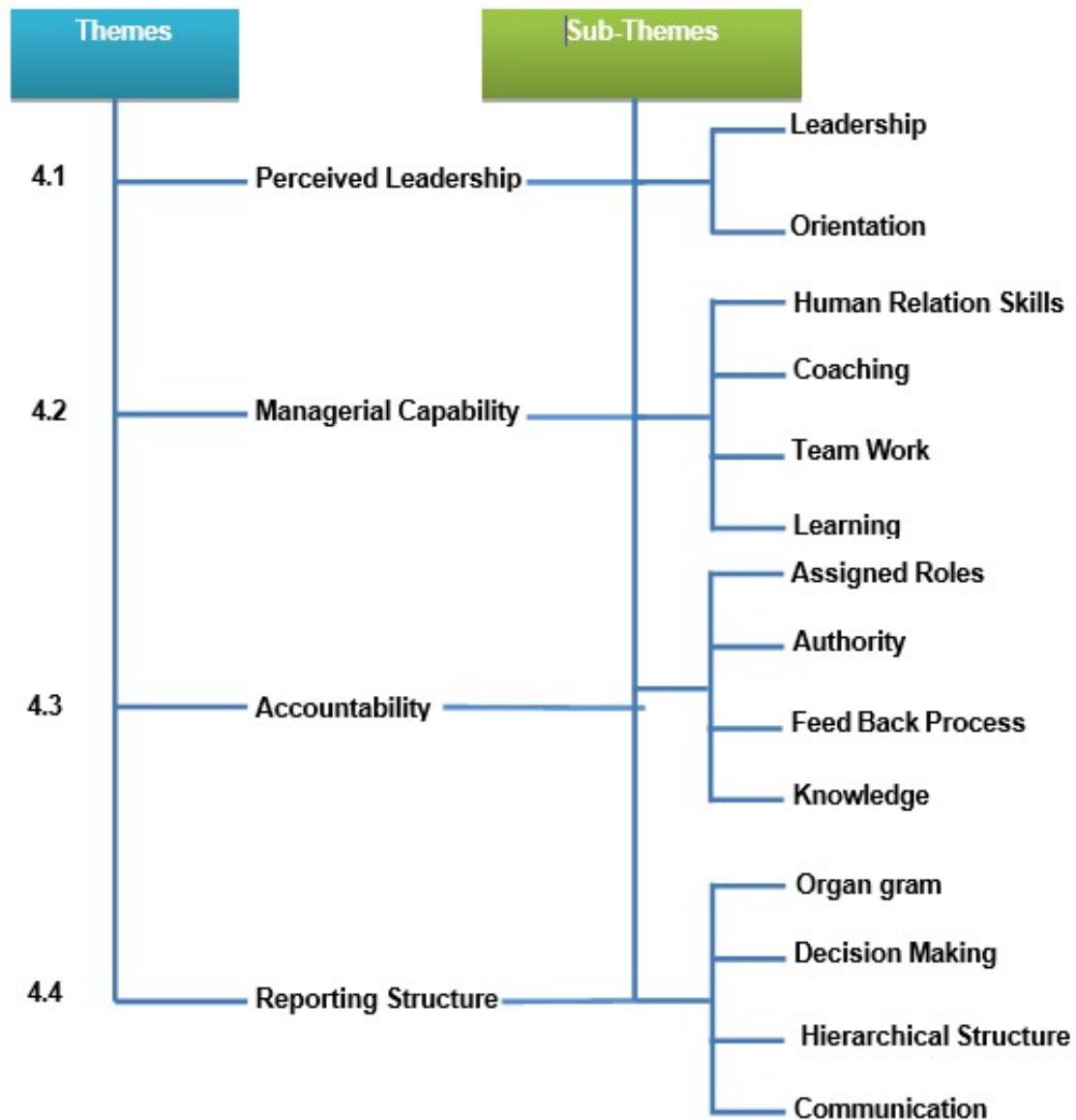


Figure 4.6 Themes and Sub-Themes of the Study

From the findings of this study, some key words, as depicted in Table 4.1, were used by the interview participants. These words highlight the themes and sub-themes in chapter two; and therefore have a linkage.

Table 4.1 Key Words Used by Interview Participants Derived from the Findings

S/No	Key Words	Theme Highlighted
1	Leadership Style	Leadership
2	Participative Leadership style	Leadership
3	Human oriented leader	Leadership
4	Task oriented leader	Leadership
5	HR Skills	Capability
6	Emotional intelligence	Capability
7	Flexibility	Capability
8	Use of initiative	Capability
9	Coach	Capability
10	Learning	Capability
11	Training	Capability
12	Team work	Capability
13	Knowledge	Accountability
14	Assigned roles, overlapping jobs, job duplication	Accountability
15	Feedback process	Accountability
16	Authority	Accountability
17	Reporting lines and Hierarchical levels	Reporting structure
18	Organogram; Centralised, decentralised	Reporting structure
19	Communication	Reporting structure
20	Decision making	Reporting structure
21	Sense of belonging, boost of morale and performance,	Firm Growth
22	Organisational Citizenship Behaviour	Firm Growth
23	Increased productivity and performance	Firm Growth
24	Positive growth	Firm Growth

4.1. Perceived Leadership



Figure 4.7 Perceived Leadership and Sub-Themes

This study found that there are several existing leadership styles, but in order to get desired results, the participative leadership style is perceived to be practiced in most of the SMEs. This yields positive results, such as employees being supported; having a sense of belonging, boosting performance, improving productivity and therefore, assured survival and success of the firm. This in turn yields a positive influence on the growth of SMEs. The employees seem to be happy with this participative leadership where they are supported and have a sense of belonging in the firm.

Findings by Ahiauzu (2010) reveal that relationships with supervisors and managers tend to matter more to employees in developing economies like Nigeria because of their collectivist culture. This lends support to the findings of this study on participative leadership. Nwagbara (2011) found that without shared leadership, organisations experience high labour turnover; especially in civil service jobs. The study by Nwagbara (2011) revealed that shared leadership is a collaborative, collective, participatory leadership that takes employees' views and interests into consideration in decision-making and the leadership process. This leadership style reduces labour turnover, as revealed by Ishak (2005), who described Labour Turnover as the movement of people (employees) into and out of organisations. James et al. (2011) observed that a high rate of labour turnover is a trend in many Nigerian SMEs due to poor leadership and unfavourable working conditions.

Parallel to the observation by James et al. (2011), Wermeling (2009) stated that a feeling of disenchantment and alienation by employees is aroused when the organisational leadership does not consider their interests and opinions in the organisational decision-making process and leadership. This usually culminates in employees leaving the company. The use of a participative leadership style and its positive influence is evidenced in the findings of the participants. The subordinates revealed that being carried along in the organisational leadership encourages them to be proactive and have a sense of belonging. This increases performance and ensures the workability, stability and success of the firm. Below is one of the responses from the findings.

Tompkins et al. (2010) suggested that citizen participation should be encouraged to ensure accountability since accountability is the extent to which individuals understand their job expectations, have the authority to carry out the jobs and take responsibility for delivering feedback to foster growth. The study by

Tompkins et al. (2010) revealed that in the current reality of growing demands for accountability, citizen participation is crucial. Confirming the essence of citizen participation, Chan and Gao (2009) argued that employee participation is essential and necessitated by a good set of performance measures which build accountability and therefore improve it and generate better productivity and increase growth in the firm.

Organisational Citizenship Behaviour (OCB) was found to be another area of leadership with a positive influence on Firm Growth. OCB entails going the "extra mile" to complete a job. This boosts performance and fosters continuity and growth. Mbachu (2012) observed, with reference to the AMO theory, that ability, motivation and opportunity to participate are believed to contribute to employee discretionary effort, otherwise referred to as Organisational Citizenship Behaviour (OCB). This is evidenced in the findings in Appendix x.

From findings in this study, participative leadership style is encouraged because those in the tactical and operational levels may sometimes have superior ideas concerning issues. The superior ideas may lead to actualisation of organisational pursuits. This is evidenced by a participant's comment, as shown in the findings.

However, Armstrong (2009) found that when an organisation's leadership structure is not inclusive and distributed, it creates a negative perception of the leadership makes it difficult for employees to remain in the organisation, since their welfare, interests, and opinions are not taken into consideration in the leadership process. According to the author, this situation is also found in other sectors of the economy. Some leaders are perceived to be autocratic, in which case the subordinates are not carried along and this negatively influences the survival and success of the firm. In the view of Shalley and Gilson (2004), the feeling of disenchantment and alienation by employees affects their perception of the organisational leadership, which in turn, negatively influences Firm Growth. This contradicts the study by Zlotnic et al. (2005) which supported the principle of shared leadership. In the study it was argued that without shared leadership, organisations would encounter the challenges of high labour turnover because employees would exit the organisation as their views and welfare are not being considered.

This is consistent with the view of Testa (2009), who observed that employees in most Nigerian organisations seem to negate the influence of their managers because they perceived that their managers were parasitic in nature, not seeking the overall interest of the organisation

but their own selfish interest. This adversely affects Organisational Growth. Studies show that many of the leaders in Nigerian organisations do not consider the perception of their employees to be of importance (Nge and Van, 2005). According to the authors, these leaders are concerned about their own jobs and selfish gains, forgetting that

the perception of those being led will either make or mar the Organisational Health. The reason behind this attitude of personal gain above the interests of others is of interest for future studies. The negative perception caused by an autocratic seeking of personal interest is evidenced in findings from participants in this study.

Dissatisfied staff with genuine complaints may not provide the desired output in terms of performance. Their negative perception leads to ‘eye service’ on the part of the employees, who only work when their superiors are around and cease to work in their absence. In a situation like this, performance is obviously and adversely affected and the success and workability of the firm is threatened. This is evidenced by responses from participants, as shown below.

The majority of participants perceive the leadership style to be participative, which yields positive results, such as boosting employees’ morale, giving them a sense of belonging, receiving superior opinions from employees, OCB and improved performance, which positively influences Firm Growth.

Findings from this study indicate that some managers are perceived to be task oriented; with the opinion that employees are meant to work and therefore must work to make profit. When this is the case, managers do not consider the welfare of their staff which adversely affects the employees, their performance and, ultimately inhibits growth. Employee dissatisfaction with this managerial approach is evident in comments from participants in the study. This is consistent with the observation of Bennis and Townsend (2010). The authors observed that most leaders in Nigerian SMEs stick to one form of leadership style, which is the autocratic leadership style, and are mostly concerned about tasks. This, according to the authors, may negatively affect the perception of employees about the leadership. This style of leadership

is centred mostly on the task (being task-oriented) not employees’ welfare (human or relationship oriented) and is not motivational to employees. The authors discovered that in most organisations in Nigeria, the relationship between the leaders and subordinates is hardly cordial. This finding by Bennis and Townsend (2010) is in

consonance with the finding of this study; although different approaches were adopted, deductive and inductive respectively. In line with this, Hamdia and Phadet (2011) observed that this strained relationship between leaders and subordinates, which is as a result of poor leadership, jeopardises interaction, motivation and growth. This deviates from the AMO theory which stipulates that employees should be given the ability, motivation and opportunity to perform. The observation by Hamdia and Phadet (2011) on strained relationships between leaders and subordinates is not in consonance with leadership as described by Borg and Guzman (2010). They state that leadership is the ability to inspire and influence willing and conscious followership; in which the followers will have a positive perception of the leadership style and in turn influence Firm Growth positively.

Findings in this study show that although most leaders practice a participatory leadership style, they remain task oriented; only concerned about the organisational task and not the employees’ welfare. Responses from the participants imply that employees are less happy with task oriented leaders and become discouraged, with the result that performance is below expectation. From the findings, some managers feel that besides the job every other issue is secondary. Not being concerned about the welfare of the employee results in dwindling growth. Contrary to being task oriented, some employees perceived their leaders to be human oriented, whereby their welfare is of concern to the leaders. This is in line with Kuoppala et al. (2008) who asserted that there is an expanding body of literature that has considered employee well-being as a resultant effect of Organisational Leadership. In the views of Blackand Lynch (2004), Ehart (2007) and Barney (2010) leaders in some Nigerian organisations stick to the human oriented leadership style. which often leads to neglect of the tasks to be done and therefore negatively affects performance and adversely impedes on growth.

Contrary to the views of Blackand Lynch (2004), Ehart (2007) and Barney (2010) this form of leadership orientation (i.e. human orientation), from the findings of this study, has numerous benefits although it is practiced by only a few SMEs. This is as evidenced in the comments from participants.

Despite the benefits associated with leaders being human oriented, a majority of the participants perceive the leaders in SMEs to be task oriented, being concerned about the job alone. This truncates the growth of the firm because dissatisfied employees do not give desired output

on the job. Employees work to earn salary but not with satisfaction or motivation. This is not in consonance with the AMO theory discussed in the Theoretical Literature of chapter two. The AMO theory entails giving employees the ability to perform, motivation to perform and opportunity to perform. The employers identify this as an area of great challenge that needs change. However in the private educational sector, the task oriented leader seems to be preferred due to the sole aim of making profit (Hamdia and Phadet, 2011). The authors argued that being human oriented can disrupt the effectiveness and efficiency of staff who may be carried away with their welfare. The authors therefore contended that task should be a priority.

Adebayo and Nwabuoku (2008) observed that in most organisations in Nigeria, the prevailing act is that known as “eye service”. This is a situation where staff, including managers work only when they are being monitored. The authors asserted that it would be difficult for leaders to influence followers to work and give the desired output when the wellbeing of the followers is not taken into consideration. This is as evidenced in the comments by participants.

Arguably, the vast majority of the research conducted suggests that leadership is important to the extent that it is associated with organisationally relevant outcomes, such as employee behaviour, performance and motivation (Kelloway et al., 2012). Bowen and Ostroff (2009) further asserted that leadership has to be accepted by those being led. Organisational relationships can be conceptualised as consisting of economic and social exchanges (Aryee et al., 2002). Accordingly, the Social

Exchange Theory suggests that positive perception by employees of the fairness and justice in the manner in which they are treated propels their reciprocating in positive ways (Tzafrir, 2005).

Contrary to being either task oriented or human oriented, Ahiauzu (2010) argued that leadership is situational, that is it depends largely on the prevailing situation and demands of the task. The author argued that a leader’s style changes from group to group, situation to situation and organisation to organisation; not necessarily sticking to one leadership style or orientation. Supporting this view is the assertion by Boselie et al. (2010), that leadership involves inter- relationships among three elements, the qualities, skills and needs of the leader, the needs and expectations of the followers and the demands or requirements of the prevailing situation. These inter-relationships suggest that no one style of leadership serves best for all situations (Boselie et al., 2010). The best style is the one most appropriate to a given situation, which will positively affect the perception of the leadership by the followers and in turn increase performance and growth.

There are other factors that affect the perceived leadership of employees and ultimately affect Firm Growth as suggested by Erarslan (2005). These include directing and inspiring people, forming teams, communication among team members, setting an example and frequent interaction with employees, all of which are part of the human relation skills to be discussed in the subsequent section.

4.2 Managerial Capability

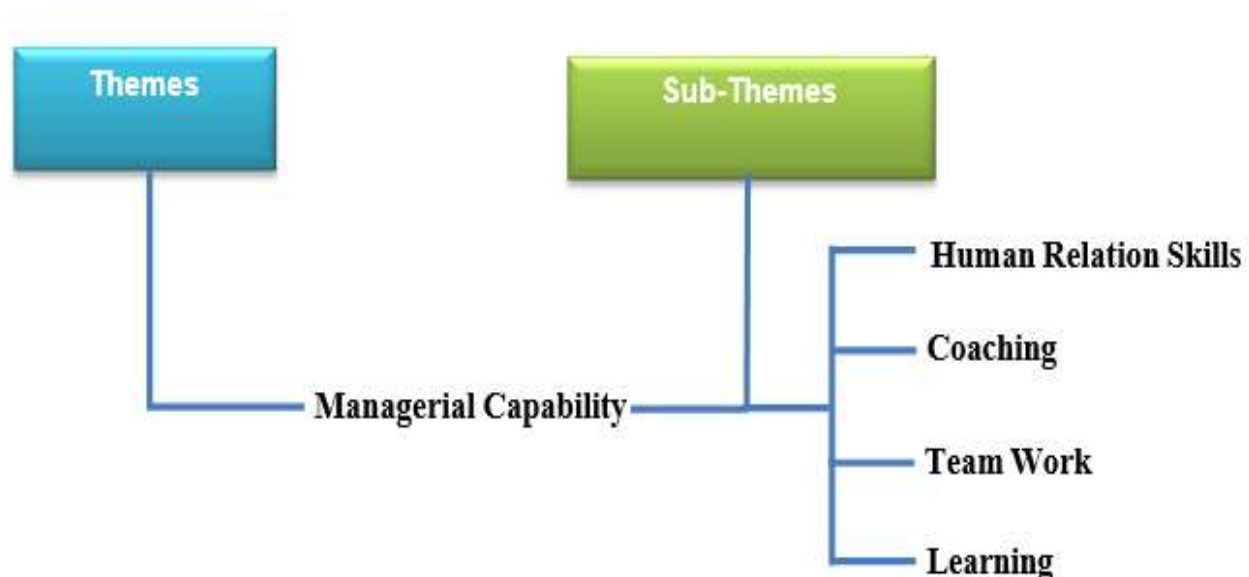


Figure 4.8 Managerial Capability and Sub-Themes

Human Relation Skills, as found in this study, are important managerial expertise and competencies which are considered to be lacking in the majority of Nigerian SMEs. They are skills exhibited between humans who are the social actors of this study. The selected participants included employer/managers and employees, who are all humans relating in one form or another, therefore necessitating the need to exhibit HRS. The skills and competencies required for HRS include emotional intelligence, adaptability, flexibility, versatility and innovation. HRS are in line with the Dynamic Capabilities Theory (DCT), defined by Tee et al. (1997) as a firm's ability to integrate, build and reconfigure internal and external competencies to address rapidly changing environments. Wang and Ahmed (2007) observed that DCT was developed due to perceived weakness of certain organisation's competitive advantage in situations of rapid and unpredictable change. Dynamic capabilities include creating new products and services, formation of alliance, strategic decision making, resource allocation, knowledge management, mentoring, team work, innovations and others (Wang and Ahmed, 2007).

As found in this study, educational and academic qualifications are necessary but human relations skills are expedient. Managers interact with other people on a daily basis. Therefore pre requisite skills are crucial in these daily interactions to achieve the desired results and foster Firm Growth. As found in this study, managers need Emotional Intelligence to fully understand employees.

Den-hentog et al. (2004), in their study on employees, discovered that leaders high in emotional intelligence (EI) excel in terms of performance. However, the authors discovered that many leaders are not emotionally intelligent. Whitener (2006), in describing EI as the ability to understand your own emotions and that of your followers, observed that academia is one sector in which EI is of utmost importance. The author contended that academia is the community where future leaders are raised. EI enables you to modify your feelings and influence what happens in your environment. Parallel to this description, workplace EI, as stipulated by Alge et al. (2006), is a set of emotional competencies which direct and control one's feelings towards work and performance at work. They refer to the ability of an individual to control and manage mood and impulses on the job. The authors further observed that effective use of EI gives better team harmony. The above are evidenced in the comments by participants.

Oparanma (2010) observed that in most Nigerian organisations leaders understand only their own emotions

and not that of their followers. This is synonymous with the finding of this study. EI is particularly crucial for both leaders and subordinates in Nigerian SMEs, due to work demands, increased family demands, financial demands, relationship demands, personal development, team performances and problems associated with underdevelopment in the country (Cheng et al., 2010).

Baron (2007) supports the need for EI but argued that it is better exhibited in certain areas. Consequently, the author suggested that the application of EI in organisations should be in areas such as personnel selection and development of employees. It was suggested by Baron and Markman (2003) that employees, especially managers, need to enhance their EI alongside their technical skills. This enhances interaction between employers and employees. Furthermore, the HR practices stimulate employee ability, motivation and opportunity to participate, as stipulated in the AMO theory, and contribute to employee discretionary effort, otherwise referred to as Organisational Citizenship Behaviour (OCB) (Mbachu, 2011). In line with existing literature, the findings of this study show that despite the importance of HRS, the skills are lacking in most SMEs.

Haslinda et al. (2007) argued that the single greatest problem in any organisation is lack of managerial skills. It has been observed that in most Nigerian SMEs, managers at the strategic level lack the necessary skills and capabilities and therefore cannot ascertain the accuracy of jobs done independently by subordinates (Ibok, 2009). High performance HR practices can be seen as important inputs in the social exchange process (Snape and Redman, 2010). Studies by Kuvus (2008) and Snape and Redman (2010) have shown that such HR practices, which constitute the soft factor dimensions of this study, are the means through which employee perceptions, attitudes and behaviours are shaped.

Flexibility is sometimes required by leaders, as revealed by this study. However, Chew and Chan (2008) argued that employers are mostly rigid and not flexible. The authors described flexibility as the ability to cope with change and adjust to the unexpected. The use of HR practices by organisations demonstrates the organisation's commitment to its employees, being concerned about their well-being and development. From the findings of this study, managers lack this, as evidenced in majority of the responses. This adversely affects

performance and in turn organisational growth. The adverse effects of not possessing the needed human relations skills are evidenced in comments by participants.

Coaching, as found in this study, is the process where managers teach and mentor subordinates and is expedient in organisations to disseminate knowledge. Hamlin et al. (2006) asserted that managerial coaching brings competitive advantages for organisations through employees' empowerment and motivation for performance, bringing more satisfaction and commitment and thereby fostering growth. As a result, managerial coaching is considered an essential managerial competence, and is one that organisations are increasingly choosing to invest in to develop actions meant to build this set of skills (Liu and Brat, 2010).

However, the study by Hagen (2012) does not show any significant benefit from coaching. The author attributed this to leaders possessing obsolete knowledge which may mar the organisation. Beattie (2002) and Mclean et al. (2005) contended that leaders ought to update their knowledge base regularly. Coaching from a well-informed leader significantly improves firm growth, as shown in this study. Coaching includes open communication, provision and request for feedback from employees, informing, continuous assessment, empowerment, offering opportunities for development and delegation (Kelloway et al., 2012). The study by Park et al. (2008) gives credence to the need for coaching skills by suggesting ways the coaching manager could support a coaching mentality, for example valuing people, accepting ambiguity within the workplace and appreciation/encouraging team work.

The findings of this study show that the majority of leaders coach their subordinates; replicating themselves to the extent that their absence never stalls the activities of the firm. In coaching subordinates, leaders need to be emotionally intelligent and flexible due to availability of subordinates with different capabilities, levels of assimilation and levels of intelligence. The more subordinates are coached, the better they become in yielding performance that fosters firm survival and success. Nevertheless, due to lack of training, knowledge is rarely upgraded and becomes obsolete. Therefore coaching becomes merely the recycling of obsolete knowledge, which provides little guidance in a dynamic competitive system with the existence of globalisation. See comments by participants in Appendix x.

Teamwork, the ability to work within a group both as a leader and a member is very important, as found in this

study. Team work when encouraged and practiced, yields positive influences on growth. Consistent with the findings of this study, Vathsala and Nimali (2009) contended that in directing employees, the critical role of managers in organisations includes working as a team, inculcating team spirit in employees, exhibiting creativity, a quick response to customers, continuously improving products and services designed to meet specific customers' needs, and turning policies into action. This is confirmed by responses from participants in this study.

The majority of the participants in this study practiced team work and attested to its attendant benefits that positively influence Firm Growth. In line with this, Hamdia and Phadett (2011) suggested that team work is essential for the growth of an organisation but requires some skills and capabilities to ensure its establishment and a subsequent positive output from it. The authors contended that a team comprises employees from different backgrounds, with different educational qualifications and capabilities. It therefore behoves an organisation to have leaders that possess the necessary HR skills and managerial capabilities to effectively manage the team and ultimately achieve desired goals. However team work seems to be missing in most organisations as asserted by the authors. As found in the study, the process of working as a team results in having synergy and thus actualisation of organisational goals becomes easier comparatively.

Learning is earnestly desired but greatly impeded due to the absence of training for employees and the training of managers that do on the job coaching. Employees participating in this study complain about learning. Lending support in respect of the importance of learning, Wilkens et al. (2004) argued that organisational learning is both a resource and dynamic capability of the firm. Bontis et al. (2002) stated that, learning is a valuable organisational skill to be desired and provided evidence of a positive relationship between learning and performance, with learning at three levels; individual, group and organisation. The desire to learn and the training impediment are evident in the responses from participants.

From the findings of this study, most subordinates are really not eager to learn; Some as a result of dissatisfaction and others as a result of their negative perceptions of the existing leadership style and orientation. This impedes on the growth of the firm. Others, ready to learn, simply recycle obsolete knowledge as a result of lack of training. In a dynamic

world with globalisation, obsolete knowledge may not sustain the survival and success of any firm; which points towards the current increase in mortality rates of SMEs in Nigeria.

Learning, as observed by Shawn et al. (2010), is a necessary part of managerial skills and competences which aids in the actualisation of Firm Growth. These results were further advanced by Zheng et al. (2010), who discovered that dynamic managerial capability is essential to bring about organisational learning which positively affects performance for individuals and teams across organisational structures. Furthermore, Tippins and Sohi (2003) distinguished five stages of organisational learning process;

- Information
- Acquisition
- Information Dissemination

- Shared Interpretation
- Declarative Memory
- Procedural Memory.

The participants in this study all raised the issue of the absence of training in their firms. The absence of learning will not be favourable to any firm in respect of having a competitive edge and obsolete knowledge will not ensure workability and sustainability of the firm. Employees from the findings of this study look for learning opportunities to develop themselves but are denied such opportunities. This again is contrary to the AMO theory that focuses on providing opportunity to perform. Provision of learning resources is one of the avenues through which it is possible to provide opportunities for employees to perform in order to yield desired job output.

4.3. Accountability

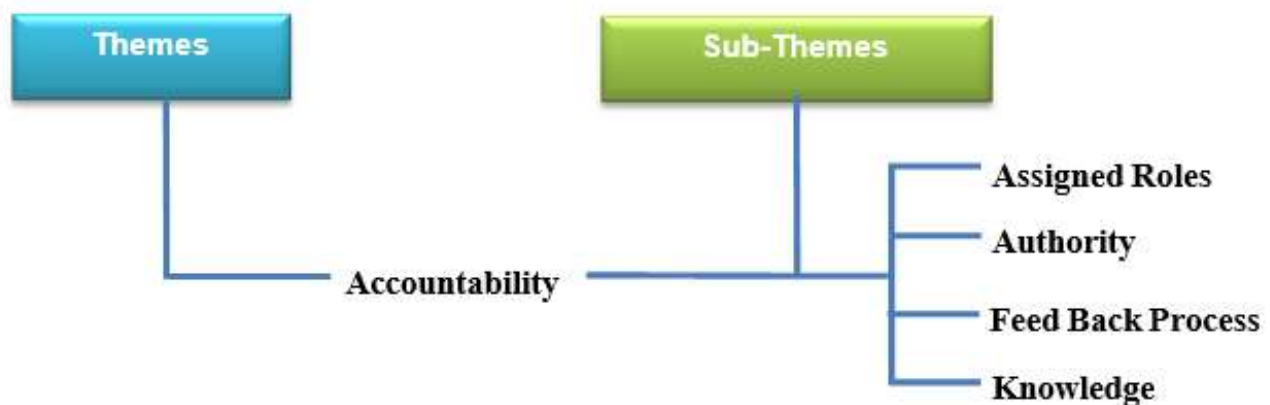


Figure 4.9 Accountability and Sub Themes

From the findings of this study, Accountability commences with roles being assigned to employees. In other words without given roles, nothing initiates a reason for Accountability.

The study received a mixture of responses with regards to accountability. Some employees had assigned roles, while others had never been allocated roles and therefore had nothing on which to form the basis of their accountability. Villareal's (2008) findings shared this view showing that employees do not present an account of their activities and the way in which they have or have not discharged their duties. This was attributed to ignorance on the part of the employees. Consistent with this, the view of Villareal (2008), Lawrence (2004), argues that Accountability, as a mechanism, has six components which can be identified through answers provided to the following questions;

- Who is giving the account?
- To whom will the account be given?
- What is the action for which the account will be given?
- How will the account be given?
- When will the account be given?
- What happens if the account is not satisfactory?

These questions constitute the basis for the accountability criteria namely; the who, to, for, how, when and what if? Lawrence (2004), found that the answers to these questions were not as expected; particularly in relation to the SMEs. In the findings, the employees seem not to realise the existing anomaly. This is contrary to the findings of this study where the employees complained of the prevailing anomalies. Tompkins et al. (2010) asserted

that if organisations in Nigeria confirm that accountability exists within them, these questions should be answered credibly. The authors further argued that if one component is missing in an organisation, accountability does not exist in that organisation.

From the findings of this study, the questions that depict the Accountability criteria can be answered accordingly, though negatively. This is because some employees have assigned roles but the majority don't. Roles are usually not assigned in some firms therefore most employees lack roles. Some roles are not explicit therefore the situation is as good as an employee not having assigned roles. Most jobs overlap which result in most employees not working while others duplicate efforts. Most employees don't know the reporting line of authority and are ignorant of whom to give the account to. Assigned jobs don't have stipulated time for accomplishment and efficiency is eroded. All these issues impede on the survival and success of the firm. This then reveals that accountability cannot be said to exist in Nigerian SMEs since most of the answers to the accountability criteria questions are not in the affirmative. See comments from participants below.

Findings by Shin (2010) show that in the tertiary institution, employees confirmed that roles are usually assigned to staff to enable them do their jobs. This, according to the author boosts performance on the job and accelerates growth. As observed by the author, this boost of performance entails employees being aware of their assigned roles which results in employees specialising on designated roles with manpower/idle time reduced, effectiveness and efficiency achieved and ultimately Organisational Growth. The findings from this study also show this.

However, it was also observed that though there are assigned roles, jobs sometimes overlap which result in loss of man hour because most jobs are sometimes assigned to more than one staff. Due to the overlapping occurrence, there are negative effects which are not favorable to the firm. Contrary to employees being aware of assigned roles, there were few cases where employees are not aware of their roles. This is in line with the findings by Ku et al. (2010) who from a pilot survey discovered that most employees in Nigerian firms do not have stipulated job expectations.

Closely following assigned roles is Authority which, as confirmed by the participants in this study, is lacking in most Nigerian SMEs. There were situations reported where employees with assigned roles had no authority to carry out their assigned roles. This impedes growth

drastically. As observed earlier, having assigned roles will not suffice without authority to do the job. This is because jobs should ultimately be done to increase productivity and enhance growth. This is synonymous with the finding by Keller and Price (2011b), who argued that employees in every organisation should be assigned specific jobs and given the resources, including the authority (positional power), to deliver the jobs at stipulated times.

Keller and Price (2011b) further argued that accountability is the extent to which individuals understand what their job expectations are, have the authority to carry out the jobs and take responsibility for delivering feedbacks to foster growth. Findings by Dubnick (2005) showed that employers had excessive power with little or no delegation of jobs, and authority, therefore, experienced stagnated growth. Dubnick (2005) goes as far as to state that accountability is the oxygen of any organisation, without which they will suffocate in excessive concentrations of power, blind policy making, less justice and bad performance. In line with the findings of this study, and that of Dubnick (2005), Salami (2008) asserted that in most Nigerian SMEs power is concentrated in the hands of few therefore the growth of the firm is either crippled or terminated. A situation where the jobs are known but cannot be done due to a lack of authority is a challenge. This is the situation found in this study. Employees that have assigned roles have no authority to carry out them out and, consequently end up not doing the jobs. This is not good to the firm because jobs are not undertaken, goals are not achieved and consequently the survival and success of the firm is crippled. This is evidenced in comments from participants.

Feedback process in industry is very important in determining variances in the performance of employees, but employees generally don't give feedback. The employees attributed failure to give feedback to many reasons; ignorance of feedback procedures, ignorance of reporting lines, inability to do the job, therefore nothing to give feedback on, and the inability of leaders to enforce a feedback process due to a lack of managerial skills.

Parallel to the finding in this study, Ku et al. (2010) observed that some employees work but do not give feedback. This hinders performance and negatively affects Organisational Health. It was observed in this study that the feedback process is weak and lacking in the majority of firms. In line with this, Turnispeed and Rassuli (2005) suggested that leaders should endeavour to

get feedback from employees to know the perception of the employees with regards to the organisational leadership and employee tasks. This leads to identification of strengths and weaknesses of the leaders; building up the strengths, improving areas of weakness, enhancing performance and fostering growth. This suggestion by Turnispeed and Rassuli (2005) is not adhered to in the majority of the SMEs.

Participants attributed the failure to give feedback due mainly to ignorance of reporting lines of authority (who to report to), lack of knowledge of jobs assigned and overlapping of jobs. This negatively influences job performance and growth of the firm. On the contrary, few of the participants acknowledged the existence of feedback process and its associated positive effects as demonstrated in the findings of this study in Chapter Four. However, the majority of the participants argued that there is either no feedback process or a weak feedback process.

To facilitate and promote accountability in organisations, Bovens (2005) suggested that authority and responsibilities be clearly defined, while overlapping functions are reduced to a minimal level in order not to obscure responsibility and frustrate accountability.

Closely following the feedback process is knowledge. Employees' not having knowledge of the jobs assigned to them was identified to be a fundamental challenge in the majority of the firms studied. Reasons such as a lack of

sufficient coaching and training and employment of inexperienced staff were given. Of concern is the adverse effect this has on growth. See a participant's comments below.

Findings by Mbachu (2011) showed that it is obvious for employees to perform well in organisations when they possess the knowledge and skills required to perform their jobs (ability). They are adequately interested and sensitised to do their jobs (motivation) and their organisational work environment supplies the required support and avenues for expression (opportunity to participate). This is in consonance with the AMO theory. In line with this observation, Okurame (2007) asserted that learning is a continuous process to improve organisational behaviours, which include managerial skills, performance and fostering growth. However, the reverse is the case in most Nigerian SMEs, as reported in this study, as they often rely on obsolete knowledge. Bonny (2005) attributed the reliance on obsolete knowledge to insufficient funds for training to improve the knowledge base. In fact, a participant describes the non-existence of knowledge with growth expectation as a nightmare.

Consequently, Jogulu (2010) stressed the need for managers in Nigerian SMEs to broaden their horizon in respect of knowledge acquisition and managerial capabilities to ensure sustainable Firm Growth.

4.4 Reporting Structure

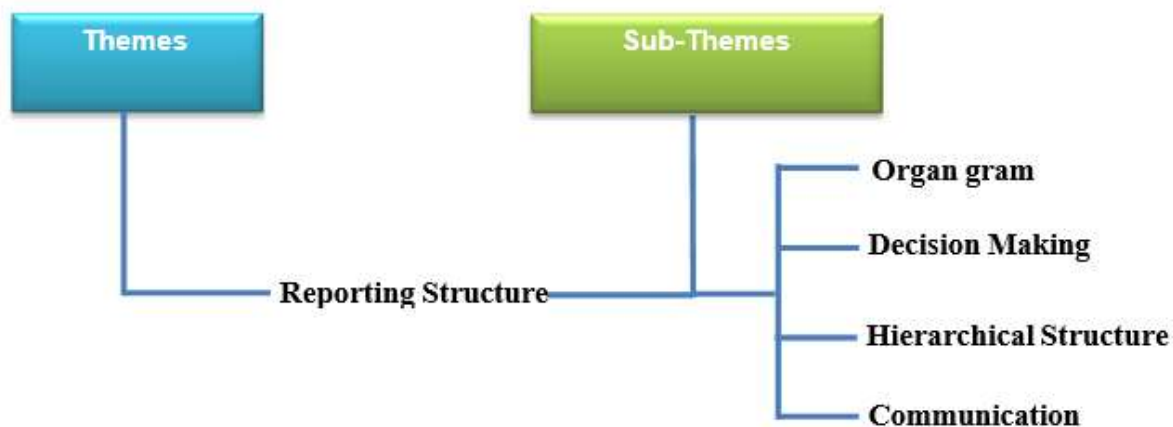


Figure 4.10 Reporting Structure and Sub Themes

Reporting structure, as a dimension of Organisational Health as well as a theme, has organ gram, decision making, hierarchical structure and communication depicted as codes under it. It was found in this study that organisational structures are essential. However, despite the importance of organ gram, only a few firms had

existing ones. Some firms had organ gram but were known to only a few in the firm. The non-existence of reporting structures negatively influences the survival and success of the firm in several ways as shown in this study. Subsequently, the existence of reporting structures, but an ignorance of its existence, by the majority of the

employees, as found in most firms, impedes the survival and success of the firm. Subordinates do not know who to report to, relationships between superiors and subordinates are impaired, the feedback process is negatively affected and performance dwindles. Consistent with this finding, Dickson and Resick (2006), in their study, discovered that managerial practices are influenced by the organisational structure. Findings by the authors revealed that organisational structures exist and enable personnel to be aware of their organisational roles and therefore lead to job motivation, productivity, efficiency, minimal bureaucracy, job satisfaction and ultimately organisational growth. This is contrary to the findings of the study where most firms lack organisational structure.

Sharing a similar view, Hosein et al. (2013), stated that organisational structure facilitates relationships among the different departments in an organisation and propels efficiency and effectiveness of organisational units. In the findings by Sabunchi, (2007), organisational structures exist but are known to only a few employees. The benefits of having organisational structure, as asserted by Tamoorea et al. (2013), may elude firms with such employees. Tamoorea et al. (2013) argued that organisational structures provide favourable situations to empower employees and so enable flexible characteristics, dynamism, specialty, competency and supports of employees' creativity. As long as employees are flexible in performing their job functions and have more independence in their jobs, productivity is enhanced. Talebbidokhti and Anvari (2008) argued that organisational structure is a unique process which plays a major role in attaining organisational set goals. It is a framework in which communication system, decision centres and other management processes are determined. The findings of this study show that organ grams exist as confirmed by some participants. The challenge experienced is that it is known to only a few, especially those at the strategic level.

Existence of organ gram but with a lack of knowledge negatively influences the growth of the firm as seen from findings of this study. In line with this, Baker and Jennings (2009), and Anderson et al. (2009) discovered that in most SMEs in Nigeria, employees report to the wrong superiors because of ignorance of the correct structure. The authors attributed this to the absence of reporting structures. This is attested by the participants as described in chapter four.

Contrary to the existence of organ gram in some SMEs, some participants acknowledged the fact that organ

grams do not exist in their firms. It is apt to say that a situation where organ grams do not exist can be likened to that where organ grams exist but the organ grams are not known and not adhered to. This is because the after effects seem to be the same; decline in performance, high rate of staff turnover, dissatisfaction and de motivation.

Following the organ gram is decision making. Decision making is essential to the growth of SMEs but this study finds it is determined by the number of reporting lines. The centralized or decentralized nature of the firm determines how fast or slow the decision making process will be. The decision making process, as found in this study, is slow due to the existence of a centralized system. It was found that besides the decision making process, dissemination of information is also slow in centralized firms. This has a negative influence on both effectiveness and particularly efficiency. When employees are neither effective nor efficient the survival and success of the firm becomes questionable. Below are examples of comments from participants.

The above finding is consistent with the AMO theory based on the theoretical framework developed by Bailey (1993) and Appelbaun et al. (2000). This theory predicts that to improve employee performance, managers need to positively influence employees' ability to perform (A), motivation to perform (M) and opportunity to perform (O) (Boxall and Purcell, 2008).

Based on the AMO theory, Boxall and Purcell (2008) argued that organisational performance is a function of employee ability, motivation and opportunity to participate in organisational activities like decision making. Sequel to having a centralized reporting structure, it was found in the study that decisions are usually taken at the strategic level by managers alone. This they do without the input of subordinates which dampens the ability, motivation and opportunity of employees to perform, as revealed by the AMO theory. Findings from this study, also stated by Powell (2002), revealed that there are challenges associated with a centralized system with several reporting lines. These challenges consist of rigidity and loss

of inter personal relationship between those at the strategic level and those at the tactical and operational levels. Consistent with these challenges, Powell (2002) observed that formality and concentration of authority, as regards decision making, reduces creativity among employees. Alternatively, distribution of authority and decision making within the organisation leads to

spontaneity, orientation experience, freedom of speech and creativity.

From the findings of this study, employees are not happy with a centralized management system because the reporting structure is usually tall and vertical with numerous reporting lines; decisions are centralized at the top without input from employees leading to a lack of unity and sense of belonging. There is an invisible wall between the employers at the strategic level and other hierarchical levels, which means that a delay in implementation of jobs is experienced due to a slow decision making processes.

Consistent with this finding, Hackman et al. (2006) contended that the existence of tall, bureaucratic systems in Nigerian SMEs may have done more harm than good. This is because a great number of employees lack initiative and therefore add little or no value to the development and ultimate growth of the SMEs. Lending support to this idea, Graen and Scandura (2007) argued that the alarming rate of inequalities existing in most Nigerian SMEs may be as a result of centralised bureaucratic systems. The authors contended that the organic structure may best suit Nigerian SMEs so as to reduce existing inequalities, improve the rate of dissemination of information and enable employees use their initiative. This will ultimately increase performance, sustain competitive advantage and positively influence Organisational Health and growth. Lending further support, Chang (2012) observed that the mechanistic structure has a higher level of formalisation and centralisation compared to the organic structure. This reduces the frequency of communication between employees and the internal and external environment and is therefore less favourable for organisational innovation and ultimately growth. Decision making speed is also adversely affected. Zehir and Mehtap (2008) further confirmed that organisations with higher formalisation are slower in decision making and employees in highly centralised organisations have less motivation to learn, are less efficient and slower in making decisions. According to Nahm et al. (2003), formalised structures may lead to employees losing confidence in innovation, independence and learning opportunity. On one hand, bureaucracy's characteristics, indicating bureaucratic organisations' attitudes is unfavourable and thus detracts from workplace friendship. On the other hand, those characteristics result in negative feelings of employees at work and hence impede workplace friendship (Okaro and Ohagwu, 2010).

Opposed to the disadvantages of a centralised system, Jarnagin and Slocum (2007) had a contrary view in their findings. The authors asserted that centralisation refers to the place where decision making is centralised and whatever decisions made are in the interest of the organisation; therefore, with the existence of a centralised place for decision making, growth is assured. Parallel to this, Azadegan (2008) contended that despite the adverse effects of a high level of formalisation in a centralised system, formalisation procedures and rules help organisations to filter out incorrect messages, negative employee behaviours and at the same time acquire, assimilate, disseminate and apply existing knowledge and capabilities to foster organisational growth. However, Devaro and Brookshire (2007) observed that some Nigerian SMEs are currently experiencing dwindling growth as a result of existing reporting structures not favourable to organisational activities. This is evidenced in comments by participants.

Contrary to the finding on centralized management system, few of the respondents confirmed that the decentralized management system is practiced in their firms. This management system is usually a flat system with few reporting lines. In a decentralized system, the decision making process is fast with flexibility on the part of superiors. This is the organic structure which is a diffused one where employees have the freedom to exercise their talents and use their initiative.

In line with this, the findings by Alam (2011) revealed the organic system is characterised by a horizontal, decentralised, less formalised smaller span of control, showing less inequality and more specialisation. The author argued that in an organisation with a decentralised structure, dissemination of information and feedback is fast, which leads to job efficiency, an increase in productivity, sustained competitive advantage and growth. Dawid (2006), suggested that bureaucracy and centralisation should be reduced and fewer business units created with far flatter and less bureaucratic levels when compared to previous hierarchical structures.

Related to decision making process, is the hierarchical structure which exists in a firm. The findings of this study, as evidenced in the comments by participants, prove that the centralised system, with its many hierarchical levels, is not favourable to employees due to numerous adverse effects. With the existence of manifold reporting lines, there are negative influences on performance and growth. In line with this, Schuler and Jackson (2005) suggested that simple structures and adhocracies are better, more efficient and receptive to

having a transformational leadership. The simple structures are not favourable to transactional leadership in more traditional bureaucratic organisations. The traditional organisational structure necessitates several functional areas in the form of departments, each consisting of specialised employee types, work-activities and specialty (Williams and McWilliams, 2010). This structure usually has hierarchical levels consisting of functional areas within composite divisions and work units. There are control and command processes implemented within each area.

Ostroff et al. (2003) observed that there are various advantages in such structures, which include facilitation of efficient use of resources, achievement of economies of scale, fostering work-force expertise and availability of clearly discernible career paths. The adverse effects of such organisational structures include unnecessarily slow decision-making processes, uncertain day-to-day performance measures and low responsiveness due to the sequential nature of operations (Bartol et al., 2008). This is in consonance with comments from participants.

The structure existing in majority of the Nigerian SMEs, as found in this study, is a tall, vertical structure consisting of several reporting lines, as opposed to a flat, horizontal structure consisting of few reporting lines. In most cases the tall vertical structure operates a centralized system, while the flat, horizontal structure operates a decentralized system. The tall vertical structure does not seem to be favourable to the Nigerian SMEs due to the fact that decision making processes are slowed down, interpersonal relationship between superiors and subordinates are almost eradicated; this structure causes friction and a delay in completing jobs.

It was discovered by Dickson and Resick (2006) that managerial practices are influenced by the organisational structure. According to the study, organisational leadership that is adaptive and allows for flexibility is decentralised, situational and participative, thus favouring team development. On the other hand, rigid hierarchical organisations inhibit structured performance and initiative and are centralised. Pawar and Eastman (1997) argued that the structure orientation influences the behaviour of employees. For instance, vertical organisations generate feelings of security and take into account social needs. Having an excess of subordinates inhibits

interpersonal contacts and consequently leads to a need to delegate authority, which may weaken the labour quality and affect Organisational Growth.

This type of organisational structure has disadvantages, such as a slow decision-making processes, uncertain day-to-day performance measures and low responsiveness due to the sequential nature of operations (Chase and Tansik, 2007; Andress and Fonseca, 2010; Banker et al., 2011).

In the view of Rahmati et al. (2012), the centralised bureaucratic system is a command, mechanistic structure where people seldom use their initiative. In consonance with this, findings by Daft (2003) reveal that there are many rules and standards to be strictly adhered to. It is also characterised by a vertical, more formalised large span of control, with inequality and less specialisation. Edgar and Alan (2005) asserted that a reporting structure that provides a clear, concise, open and effective channel of communicating new organisational vision and/or strategy presents a powerful influence on the Organisational Health. Communication is the next sub theme to be discussed.

This study found the sub-theme of Communication to be very important, though greatly distorted, in a majority of the Nigerian SMEs. This is seen to be the result of a tall, vertical structure with several reporting lines. Centralised systems also have the challenge of having a distorted flow of communication. In line with this finding, Bonny (2005) asserted that acceptance necessitates ability to gain respect and to win the confidence of others. One of the ways to achieve this is through effective communication. Burke (2003) describes communication as the ability to get through to people at different levels to accomplish desired goals. When communication is distorted, as reported in many Nigerian SMEs, it becomes difficult to disseminate information, causing diminished performance and a negative influence upon the survival and success of a firm.

Communication is a purposeful process in an organisation, which aims to affect the behaviours of employees, thereby disallowing a disconnection between the employer and employees (Celikkaleli, 2004). In disallowing this disconnection, Sheldon (2006) stated that the satisfaction of the basic psychological needs of employees, which include the need for relatedness, competence and autonomy, plays

a vital role in the well-being of the employees and in turn the organisation. This is in consonance with the Self Determination Theory. In this sense, being a part of, and feeling attached to the organisational team may lead to increased growth. However, this desired flow of communication is not evident in the SMEs questioned as disclosed by many participants. From the findings of this study, four parent codes were arrived at, as shown in Chapter Four; Figures 4.1, 4.2, 4.3 and 4.4 respectively. They include Leadership, Capability, Accountability and Reporting Structure. From the findings of this study, it is obvious that Capability has the highest coverage (21 percent), seconded by Accountability (16 percent), then Leadership (14 percent) and Reporting Structure (14 percent).

Based on the percentage coverage, one can say that HR practices are expedient and therefore once they are applied, other dimensions may also take effect. Invariably in any organisation, capabilities which include HR skills seem to be the leading non-financial soft factor dimension. It then follows that with the existence of the relevant capabilities, appropriate leadership style will be adopted with the right orientation for any prevailing situation. Thus employees will have a positive perception of the organisational leadership, which will in turn influence their performance to yield desired output and foster organisational success and survival. This explains the reason for the thick line between capability and leadership in the Nexus of Findings Model in Figure 4.5.

Going further, having the desired capabilities will enable employers to disseminate knowledge through coaching, training and mentoring. A manager with appropriate capabilities will be aware of organisational roles and correctly assign these roles to employees, ensuring that they are explicit, not overlapping, that there is a feedback process and that employees are compensated accordingly. The manager will further involve subordinates in decision making, where necessary, to support and provide a sense of belonging.

Consistent with this, Haslinda et al. (2007) argued that the single greatest problem in any organisation is lack of managerial skills as without developing these skills and capabilities; at best most people can give only mediocre leadership. Johnson et al. (2009) suggested that there should be policies to promote skills

acquisition as this will ultimately positively influence each employee's skills development. Managerial skills require people skills that come easier

From the model, the nexus of findings of this study, there is connectivity and relationship between Capability and Leadership, Capability and Accountability, Accountability and Reporting Structure and Leadership and Reporting Structure. This inter relationship is depicted as a thin line without arrows. This means that there is no causal relationship. However, the thick lines reveal a stronger relationship between the concerned variables. This is seen between Capability and Leadership on one hand and Accountability and Reporting Structure on the other. The arrowed lines show the influence of the predictor variables on the criterion variables which are that Capability, Leadership, Accountability and Reporting Structure all have influence on the survival, success and invariably growth of SMEs. However, the thick lines represent a stronger influence on SME Growth. From the findings of this study, as shown in the model, Capability and Accountability have stronger influences on the growth of SMEs compared to the influence of Leadership and Reporting Structure.

Leadership styles and orientations and their influences have already been discussed in 5.1. However, from the Nexus of findings, the final code Leadership has a strong relationship with Capability. It behoves leaders to have capabilities to ensure good organisational leadership, that yield positive employee perceptions, increase performance and foster growth. Besides Leadership and Capability, two codes that have a strong relationship existing between them are Accountability and Reporting Structure. This is evidenced in the findings of this study because the sub themes of Accountability; Assigned Roles, Authority, Feedback Process and Knowledge are inter woven and related with the sub themes of Reporting Structure, which are Organ Gram, Decision Making, Hierarchical Structure and Communication. When employees are aware of their assigned roles, they will perform their jobs and give feedback. In giving feedback, there must be an existing Organ Gram depicting the organisational hierarchical structure that will keep the employees informed of whom to give feedback to. Roles cannot be assigned to employees without communicating those roles to them. Therefore communication as a sub theme in reporting structure

comes into play in giving assigned roles under Accountability.

The authority to do a particular assigned task is usually given by a superior member of staff therefore the existence of an Organ Gram, knowledge of the Organ gram and the hierarchical levels will enable employees to know the staff they are accountable to. This is in consonance with the accountability criteria as posited by Lawrence (2004), who argued that Accountability, as a mechanism, has six components that can be identified through answers to the following questions;

- Who is giving the account?
- To whom will the account be given?
- What is the action for which the account will be given?
- How will the account be given?
- When will the account be given?
- What happens if the account is not satisfactory?

These questions constitute the accountability criteria. It is pertinent to note that the four final codes arranged in their order of importance from their individual percentage coverage in this study as seen in Figures 4.1, 4.2, 4.3 and 4.4 respectively (capability, accountability, leadership and reporting structure) have a striking feature from the Nexus of Finding. The thick lines, representing a strong relationship, exist between Capability and Leadership on one hand and Accountability and Reporting Structure on the other. Referring back to the Conceptual Framework of this study, in Figure 1.1, the soft factor dimensions, as identified by Baruch and Folger (2005), and also used by Britton (2009), are perceived leadership and managerial capability while the hard factor dimensions are accountability and reporting structure. Comparing this to the findings of this study, there is a similarity, in that both the soft factors and the hard factors have strong relationships. However, this is not to say that there are no relationships between the soft and hard factor dimensions. Referring to the Nexus of Finding, there is a relationship between Capability and Accountability, Leadership and Accountability and Leadership and Reporting structure.

The arrowed lines depict the influence the final codes have on growth of SMEs. With the right leadership

style and orientation for a given situation, the survival and success of SMEs may be guaranteed. Leaders must not stick to only one form of leadership style but must be flexible to allow prevailing situations to determine the best leadership style and orientation to adopt. No one leadership style is the best. The best is always that most suitable for the given situation. When employees have a positive perception of leadership they will reciprocate with good gestures in the form of improved performance. This is in consonance with the Social Exchange Theory.

With capabilities such as human relations skills (emotional intelligence, flexibility), coaching, teamwork and learning, the survival and success of SMEs may be guaranteed. Leaders should be emotionally intelligent enough to understand their emotions and that of their subordinates. This can help in determining the appropriate leadership style and orientation to adopt at any given time. Leaders should not hoard knowledge but encourage teamwork and coach subordinates to replicate themselves because by so doing a job will not suffer in their absence. This is in line with synergy and goal congruence working together as a team to actualise organisational set goals. This is in tandem with the Dynamic Capability Theory and the Social Exchange Theory.

With Accountability, roles ought to be assigned, assigned roles ought to be understood by all concerned employees, overlapping of jobs ought to be avoided, there ought to be authority to carry out assigned jobs, feedback has to be given to superiors from where variances will be detected and knowledge ought to be acquired and disseminated. With all these, the survival and success of SMEs should be guaranteed. Again, it will require a leader with relevant capabilities to ensure the implementation the above. Accountability, and its sub themes, are in consonance with the AMO theory.

With Reporting Structure, there needs to be an organisational Organ Gram that should not just be on paper but a reality, being made known to all and not just a few. Decision making should not be centralised and subordinates should be involved to allow them use their initiative and have a sense of belonging. This agrees with the AMO theory, which is concerned with giving employees the ability to perform, motivation to perform and opportunity to perform. Hierarchical levels need to be common knowledge for employees to

know which superiors to give feedback to. Communication also needs to be decentralised, existing

between the strategic, tactical and operational levels and not concentrated among those at the strategic level alone. This will have a positive influence on the survival and success of SMEs. All four final codes Capability, Accountability, Leadership and Reporting Structure, are otherwise known as the Predictor Dimensions while Survival and Success are the Criterion Measures. The predictor dimensions from the Nexus of Findings of this study have influence on growth in the Nigerian context but Capability and Accountability have greater influence, as depicted by the thick arrowed lines connecting them to growth.

4.5 Linkage Between the Dimensions in the Conceptual Framework of this study and the Nexus of findings in the Nigerian Context

4.5.1. Perceived Leadership- Leadership, Orientation

The leadership style practised in Nigeria is not favourable because it is not participative. Most leaders are either task or human oriented. This is as well not favourable because situational leadership is better where the situation determines the particular orientation to adopt.

4.5.2. Managerial Capability- Human Relation Skills, coaching, team work and learning

Human relation skills are lacking hence growth of SMEs adversely affected. Coaching exists though with employers not updating their knowledge through trainings. Team work exists but not in every area. Learning also exists but due to the absence of training, obsolete knowledge is usually transferred.

4.5.3 Accountability- Assigned roles, authority, feedback process and knowledge

Most employees don't have assigned roles. Others that have assigned roles lack knowledge to do the jobs and authority. Feedback process is encouraging compared to other dimensions but requires improvement. Knowledge is obsolete due to lack of training.

4.5.4. Reporting Structure - Organ gram, decision making, hierarchical structure, communication

Most organisations lack organ grams. Those that have organ grams in place make it known to only those at the strategic level. Decision making is carried out by those at the strategic level. The hierarchical structure is mostly centralised. Communication is sometimes distorted due to the tall vertical nature of the hierarchical structure.

Conclusively, the non-implementation of these non-financial indices adversely affect growth of SMEs in Nigeria.

4.6. SUMMARY

Having evaluated the perception of the non-financial soft and hard factor dimensions of Organisational Health in the Nigerian perspective, it is obvious that a positive relationship exists between the soft and hard factor dimensions of Organisational Health and growth. Consistent with this, Quality Management literature has shown that soft and hard factors are positively related to firm performance (Abdullah et al., 2009). The study by Ofeogbu and Akanbi (2012) in examining the influence of strategic agility on perceived performance of manufacturing firms in Nigeria employed the survey design method and confirmed this positive relationship. Furthermore, Rahman and Bullock (2005), in examining the relationship between soft quality management dimensions and performance proved that a positive relationship does exist.

CHAPTER FIVE

CONCLUSION

5.1 OVERVIEW OF STUDY

The aim of this study is to phenomenologically evaluate the interpretation of the non-financial dimensions of Organisational Health in relation to the non-financial measures of growth of SMEs in the Nigerian context. To achieve this aim, two objectives were drawn.

- To evaluate identified non-financial dimensions of Organisational Health in relation to Firm Growth in published related literature.
- To evaluate identified non-financial dimensions of Organisational Health in relation to the non-financial measures of Firm Growth in the Nigerian manufacturing SMEs.

The first objective is actualised in chapter two; the Review of Related Literature. The second objective is actualised in the findings of this study. To undertake this study and contribute to literature, two research questions were adopted.

1. What is the perception of the non-financial soft and hard factor dimensions of Organisational Health in the Nigerian manufacturing SMEs?
2. What is the influence of the non-financial soft and hard factor dimensions of Organisational Health on the non-financial elements of growth in the Nigerian manufacturing SMEs?

This study was undertaken phenomenologically with the use of qualitative data, using interviews as means of data collection, to inductively evaluate the perception of all phenomena of the study in the Nigerian context. The findings of this interpretive study can be found in chapter four while the discussion of the findings is in chapter five. This research, from data collected and analysed with the use of Nvivo software, provided answers to the aforementioned research questions and therefore also achieved its second objective.

5.2 CONTRIBUTIONS

5.2.1 Contribution to Knowledge/Academia

Human Capital which encompasses Human Relation skills seems to be the ultimate foundation of Organisational Health; and therefore, Firm Growth. Due to the finding that employees perceive the Participative leadership style to be positive result oriented, it is

suggested that this leadership style be practiced. However, it was discovered that participation was generally found during the application of tasks and not as a part of decision making. The study found this to be a negative influence on Firm Growth and therefore, employee participation should be encouraged in the area of decision making since employees are a strategic factor of Nigerian SMEs. Participation gives employees a sense of belonging, boosts performance and positively influences Firm Growth. In consonance with this suggestion, Fredrickson (2009) asserted that positive leadership has been associated with positive outcomes, which include happy relationships, teamwork, learning, recognition and staff retention, which ultimately leads to Organisational Health and wellbeing.

The equation that every leader should bear in mind is that perceived leadership has to be equal to or greater than, preferred leadership. To achieve this equation, a positive, transformational, management style needs to lead to a positive perception on the part of employees.

Task oriented leaders do not achieve expected results from the findings of this study. Employees are happier and more productive working with a human oriented manager. This creates an atmosphere conducive for work, which yields positive, desired performance and growth. A work environment is not a military camp where the language is all about task alone. The managers should be concerned with the wellbeing of the employees.

It was found in this study that leaders practice sole leadership style, with majority of leaders being task oriented. However, the employees questioned, stated that they prefer human oriented leaders. In line with this, Bennis and Townsent (2010) observed that most leaders in Nigerian SMEs stick to one form of leadership style, which is the autocratic task oriented leadership style. This, according to the author may negatively affect the perception of employees about the leadership as this style of leadership is centred mostly on the task (task-oriented) and not employees' welfare (human or relationship oriented).

This study found that task orientation of leaders is not favourable among employees but human orientation of leaders receives a more positive perception. However, there is fear that being totally human oriented can lead to pampering employees who then become neglectful of

tasks. This finding is backed up by Blackand Lynch (2004); Ehart (2007) and Barney (2010), who contended that leaders in some Nigerian organisations stick to the human oriented leadership style, which often leads to neglect of the tasks to be done and negatively affects performance and adversely influences growth.

The ultimate desire of firms and managers, either task or human oriented, is to increase performance and positively influence growth. This study suggests that to achieve this, there needs to be a balance. That is, leaders should not solely stick to one leadership style but both leadership styles should be practiced depending on the prevailing circumstance. Successful organisational management needs an awareness of both leadership styles and therefore, should endeavour to strike a balance between them; not overemphasising one against the other. Mbachu (2011) cautioned that to overemphasise being task oriented results in short-term effectiveness and longer-range human problems. Short-term effectiveness may not ensure Organisational Health that is concerned with having a long- term competitive advantage (today and in future). Overemphasis on maintenance or human

relationships results in employees so engulfed in their feelings and welfare that they forget their task. Leaders should, therefore, strike a balance between being task and human oriented to ensure Organisational Health to foster Firm Growth.

This is consistent with Dessler (2009) who contended that leadership seeks to meet the genuine needs and expectations of the followers by performing required functions. Leadership is situational, that is it depends largely on the demands of the task. Leadership style changes from group to group, situation to situation and organisation to organisation. Supporting this view is the assertion by Boselie et al. (2010) that leadership involves inter- relationship among three elements; the qualities, skills and needs of the leader, the needs and expectations of the followers and the demands or requirements of the prevailing situation. These inter- relationships suggest that no one style of leadership serves best for all situations. The best style is the one most appropriate in a given situation, which positively affects the perception of the leadership by the followers and in turn increase performance and growth.

This necessitates managers possessing HR skills and capabilities, such as emotional intelligence (EI) which enables them to decide on the best style to adopt (task or human oriented) in every given situation. Flexibility is another key skill that needs to be displayed by managers of Nigerian SMEs. This will enable them to adopt an

appropriate leadership style more suitable to a given situation rather than sticking to just one style, as currently practiced in Nigerian SMEs. This is also consistent with Nwagbara (2011), who asserted that organisational leadership that is adaptive and allows flexibility is situational and participative, thus favouring team development. Employees also require more interaction with their supervisor in managing their careers, which also affects their engagement with work. Managers should always note that leadership perception is from those being led and therefore, it is in their best interest to lead in a way that will bring about positive perception and growth.

Capability, accountability, leadership and reporting structure all have a significant influence on firm performance and growth. The survival and successes of SMEs are closely tied to socio-psychological processes (non-financial indices) and not merely on financing support.

5.2.2 Contribution to Business

The goal of entrepreneurs in every business is achieve success and ensure the survival of their business in a dynamic business environment, to have a competitive advantage despite globalization. This entails ensuring Organisational Health by elaborating the non-financial indices. Indigenous and international entrepreneurs need to be more aware of industry conditions and improve their non-financing strategies.

As already discussed in chapter five, the HR skills are crucial for every leader, especially as it concerns understanding employees, work situations and adopting appropriate leadership style for every given situation. Entrepreneurs should be emotionally intelligent enough to understand their emotions and that of their employees, be flexible for easy adaptation and be innovative. In line with this, Nunes et al. (2006), contended that, with the rapid and continuous changes of information technology, traditional business models have to adapt to the business environment to survive.

The AMO Theory variables (ability, motivation and opportunity to perform) are significantly affected by HR skills and practices. Appelbaun et al. (2000) suggests that specific HR skills, practices and processes play an important role in enhancing employee abilities, motivation and their opportunity to participate in organisational activities all in a bid to increase performance and foster organisational growth. In other words, a leader or entrepreneur with a positive leadership style also requires managerial capability that

will cause the employees to have the ability and motivation to perform and yield desired firm growth.

Coaching and learning are useful but the challenge facing Nigerian SMEs is a lack of training. This was attested to by all the participants interviewed, though some attributed it to a lack of funds. The world is dynamic, with globalisation and competition on the increase. It is detrimental to performance and to firm growth to rely on obsolete knowledge. Entrepreneurs, employers and employees all have a need for training to be constantly updated with current knowledge. It is suggested that leaders should consider the training needs both of themselves and employees to foster Firm Growth. Team work should be encouraged as should investment in skills acquisition and development.

Leaders should become more responsive to warning signs, such as complaints of work overload, stress, long delays in achieving tasks, pile up of administrative task waiting attention, financial returns being increasingly late, inefficient employment and HR processes, frequent communication breakdowns, staff frustration, staff dissatisfaction and de motivation, exit of the best staff, increased staff turnover and corporate in-fighting.

5.2.3 Contribution to Policy Makers:

In consonance with the observation of Dubnick (2005), capability and accountability, as revealed in this study constitute the oxygen without which organisations will suffocate in excessive concentrations of power, blind policy making, less justice, untrained leaders and bad performance. Policy makers concerned with the management of human resources, especially in the SMEs, should understand the soft and hard factors applicable to the Nigerian SMEs and provide adequate training to maintain current knowledge and understanding. Furthermore, the results of this study should be used by all to prioritise the implementation of the soft and hard factors in order to allocate resources to improve Firm Growth.

5.3 LIMITATIONS OF THE STUDY

Due to the in-depth nature of data collection, only SMEs from the manufacturing sector were considered despite the fact that there are other sectors like Agriculture, Educational, Banking that could have been covered. Because of this, the scope of coverage was limited. The highest percentage of SMEs in Nigeria is in the manufacturing sector and these SMEs contribute the most to economic growth and employment in Nigeria.

5.4 RECOMMENDATION FOR FURTHER STUDY

This area of research which deals with the non-financial indices of Organisational Health and growth does not need to be limited to manufacturing SMEs. Table 2.2 outlines the different sectors of SMEs; Agriculture, Tertiary, Mining and Construction, where further research on the non-financial indices could be carried out.

There are many types of organisations which consist of human resources, whose goal is to foster growth. Therefore, it is suggested that a study be carried out using the Oil industry, Banking sectors and Government Parastatals as population for further study. It is also suggested that an alternative methodology (quantitative study) be adopted in carrying out a study on the non-financial indices. Examples of these projected studies being, Organisational Coupling, Organisational Loafing and other HR skills such as goal setting, risk ascertainment, sustainability, succession planning, innovation knowledge management, talent management, employee workplace friendship and conflict resolution.

5.5 SUMMARY

This study is unique in that unlike previous studies that examined the relationship between unlike terms relating financial and non-financial variables and /or analysis at the individual against organisational level, it has its dimensions of Organisational Health (soft and hard factors) and measures of growth (survival and success) as like terms (non-financial indices). Secondly, the predictor and criterion dimensions are all at the macro level of analysis.

This study revealed that the successes of SMEs are closely tied to socio-psychological processes and not merely to financing support. Consequently, owing to the findings of this study, the results should be used by managers to prioritize the implementation of the soft and hard factor dimensions of Organisational Health to improve growth of SMEs.

This is consistent with the findings of Basil (2005) who contended that the most likely contributing factor to the premature death of SMEs is the wrong approach to people management and other resources. The author argued that improving firm performance and growth is of interest to SME leaders but to achieve this they need to utilise the many tools at their disposal; from finance to non-financial human resource practices.

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Appendix i

Table 2. 2 Sectorial Distribution of SMEs Surveyed in the Niger Delt

State	Agriculture		Manufacturing/Traditional Crafts		Tertiary Services/Mining and Construction		Multiple Services		Total
	Frequency	%	Frequency	%	Frequency	%	Frequency	%	
Abia	146	44.11	124	37.46	56	16.92	5	1.51	331
Akwa Ibom	56	22.22	90	35.71	104	41.27	2	0.79	252
Bayelsa	76	34.55	42	19.09	84	38.18	18	8.18	220
Cross River	52	20.63	56	22.22	144	57.14	0	0.00	252
Delta	80	37.56	26	12.21	75	35.21	32	15.02	213
Edo	44	17.60	54	21.60	125	50.00	27	10.80	250
Imo	77	21.69	180	50.70	94	26.48	4	1.13	355
Ondo	42	16.80	68	27.20	124	49.60	16	6.40	250
Rivers	55	21.65	69	27.17	129	50.79	1	0.39	254
Total	628	26.42	709	29.83	935	39.34	105	4.42	2,377

Source: Niger Delta Regional Master Plan Sector Report on SMEs, Wider Perspective Ltd., (2004) p.35 in Aluko (2013)

Appendix ii Table 2.10 Similarities between an Organisation and Human Health

	Organisation	Human
1	An organisation can be diagnosed of organisational anomalies and treated by consultants. The treatment can be in form of proffered solutions.	The human body can also be diagnosed of disease and treated by medical doctors.

2.	Organisations have life cycles from inception to maturity.	Humans have life cycles from the day of birth to adulthood and old age.
3.	Organisations tend to thrive if consciously nurtured and developed. Information on Organisational Health from HR practitioners will be useful. Accordingly there are ten competencies required which include organisational design, development, resourcing and talent planning, learning and talent development, performance and reward, employee engagement and employee relations.	Human also thrive if consciously nurtured and developed. Available for use are books in bookshops which are sources of information on managing illnesses, parenting, learning, self-help, nutrition, stress management. These are all aimed at developing the individual's mental and physical health.
4	Organisations respond to cultural and environmental conditions. This explains why they need competitive advantage in response to competitors in the external environment...	People respond to cultural and environmental conditions. They adjust their behaviour to suit prevailing situations in the office, home church etc. This is because office and church formality are different from home informality. Human tend behaviour can also be influenced by economic factors. Failure to adapt rapidly to change is a symptom of lack of adaptation capability and will take both humans and organisations the way of dinosaur.
5	Intense and continuous communication and coordination between the employees is a valuable tool if organisations must be efficient and effective thereby using good health. This can be formal or informal	In the human body, communication and coordination are important and are conducted through neural pathways via the bloodstream and signalling molecules.
6	The organisational system is interdependent and provides opportunity for growth.	The human bodies are also inter dependent and provide opportunity for growth.

Galbraith(2009);Stanford(2011)

Appendix iii

Table 2.16 Difference between Leader Manager and Manager

S/No	Lead Manager	Boss Manager
1	Lead managers are team players	Boss managers and individualists.
2	We	I
3	Ask and model (e.g., "Let's go")	Demand and command (e.g., "Go")
4	Lead by internal control.	Exert external control
5	Compare with their own potential.	Compare themselves with others
6	Show how it is done	Know how it is done
7	Admit mistakes.	Cover up mistake.

8	Lookfor solutions (what to do to find solution to problems)	Blameothersforproblems (who .)
9	Appreciates.	Takethingsandpeople for granted.
10	Accept others.	Judge others.
11	Trust.	Distrust.
12	Communicate.	Buildwalls.
13	Domorethantheirwork.	Onlytheretowork.
14	Lookattodayaswellasthefuture	See today
15	Identifyandtreat causes	Treatsymptoms
16	Coachothers	Drive/manipulateothers
17	Use cooperation	Useauthority
18	Inspireenthusiasm, create confidence	Inspirefear
19	Developpeople	Use people
20	Workhardfortheteamtoproduce	Workhardtoproduce
21	Maketimeforthingsthatcount	Neverhaveenoughtime
22	Concernedwithpeople	Concernedwiththings
23	Seektounderstand	Seektobeunderstood
24	Teamplayersknowwheretheystand	Peopleknowwhere the boss stands
25	Givcredittothe team	Take the credit
26	Win-winapproachtoconflicts	Win-loseapproach to conflicts
27	Usecaringhabits	Usedeadlyhabits

Devine (2001).

Appendix iv

Table 2.17 Five Core Activities of Knowledge Management

	Activities	Meaning
	Knowledgeidentification	This focuses on activities that help to identify the knowledge needed for the firm as well as sources to acquire this knowledge. It further comprisesoftheidentificationandlocationof existingknowledge(Egbuetal.,2005).
	Knowledgecreation	This refers to ways that focus on the development of new knowledge which is closely related to the learning processes within the firm but importantly people are required to create new knowledge (CEN, 2004). Knowledge creation within firms canbe supported amongst other measures, by allowing employees to take initiatives and experiment(GuptaandGovindarajan,2000). External knowledge sources also demand consideration as further revealed.
	Knowledgestorage.	This entails processes such as documenting andcodifying(WongandAspinwall,2004).It canbecriticalinfirmswithscarcehuman resources.

	Knowledge dissemination.	This consists of the transfer and sharing of knowledge (Egbu et al., 2005) as retaining knowledge in a sole individual runs the risk of costly knowledge loss if the employee leaves voluntarily or otherwise (Lynn, 2000).
	Usage or application of knowledge	This has to follow if value is to be created within the firm (CEN, 2004). It can be argued that a systematic approach to managing knowledge can enable firms to identify, exploit and control their knowledge better which in turn suggests that knowledge management can also be employed for the purpose of improving Organisational Health to attain sustained competitive advantage thereby increase firm growth (Egbu et al., 2005)

Wong and Aspinwall, (2004); Egbu et al., (2005).

Appendix v

Table 2.21 Organisational Competencies

S/No	Competency	Description
1	Business Management	This is being able to adopt a vigorous approach to projects and business unit management, communicating objectives with clarity and openness.
2	Commercial Acumen	This understands the key external and internal drivers of both the organisation's business and that of customers and competitors. It further involves adopting appropriate strategies for maximising the opportunities presented.
3	Business Interaction	This adopts skilled, business like negotiating stance which involves confronting difficult issues and being upfront especially with customers.
4	Oral Communication	This expresses ideas effectively in individual and group situations including non-verbal communication; adjusting language and terminology to suit the characteristics and needs of the audience.
5	Written Communication	Ideas are expressed clearly in memoranda, reports, letters or other documents with appropriate organisation, correct grammar, language and terminology adjusted to suit the characteristic and need of the audience.
6	Leadership	This entails the ability to motivate, develop, inspire, influence and gain the commitment of others using appropriate leadership style and personal resources.
7	Issue Identification	This involves identifying and anticipating all major issues and implications prior to consideration of options and reaching decisions.
8	Learning Facilitation	Adopting an approach which actively encourages and supports the learning and development of individuals and teams within the organisation customers' and competitors' organisations.
9	Judgment	To reach conclusion and develop courses of action based on rational and intuitive interpretation of information.

10	Initiative	This is the ability to make active attempts to influence events to achieve goals; self-starting rather than passively accepting others' opinions; taking action to achieve goals beyond what is required, that is being proactive.
11	Sensitivity	Acting in a manner that demonstrates an acknowledgement, understanding and respect for the views, feelings and situations of others.
12	Interpersonal Skills	Having a range of personal skills and a clear understanding of Organisational Dynamics and politics which are applied appropriately to initiate and maintain positive working relationships with individuals within and outside the organisation.


Mossy(2005); Lim and Zhong(2006); Ling et al., (2007); Chris(2010) and Olakitan and Ayobami (2011)

Appendix vi . Ethics Approval

https://researchethics.leedsbeckett.ac.uk/index/page

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If you wish to edit an existing application prior to submission, click on the Application Title or select
If you have submitted an application and now need to make changes to it, click on the 'Make Revisi
example, v2).

10 records per page

Title	Risk Category	Status
Investigation into the Market Potential for an International Fellowship of the Higher Education Academy (IntFHEA(UK))	Risk Category 2	✓ Approved by LREC

Showing 1 to 1 of 1 entries

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SCHOOL OF ACCOUNTING AND FINANCE, FACULTY OF BUSINESS AND LAW

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+2348037086281

30th October, 2014.

To Whom It May Concern,

Dear Respondent,

INFORMATION LETTER

My name is Gift Ugwe Roman. I am a PhD student in Leeds Beckett University in the United Kingdom. I am of the school of Accounting and Finance, faculty of Business and Law.

The area of my PhD research is Organizational Health and Growth; focusing on the non-financial indices. I intend to discover the impact of perceived leadership, managerial capability, accountability and reporting structure on firm growth in some selected Nigerian SMEs.

To ensure this discovery, I will conduct interviews to generate data. Your firm is among those I have chosen to understudy in respect of my area of research. All information provided will be treated with utmost confidentiality and used strictly for only academic purposes.

I will appreciate having an interview with you at your earliest convenient date and time.

It may interest you to know that my supervisors are Prof. Sherifdeen Adewale Tella of Olabisi Onabanjo University, Nigeria and Dr. Simon Jones of Leeds Beckett University, United Kingdom.

Thank you

Yours Sincerely,



Gift U. Roman

Appendixviii

CONSENT FORM

I have read and do understand the information presented in the information letter in respect of the PhD research by Gift Uwe Roman of the school of Accounting and Finance, faculty of Business and Law, Leeds Beckett University, United Kingdom.

My intentions are therefore indicated as ticked at the right column of this consent form.

- | | |
|---|--------|
| 1. I have been asked to participate in the research interview. | Yes/No |
| 2. I have understanding of what is required of me. | Yes/No |
| 3. I wish to participate in the interview. | Yes/No |
| 4. I consent to the interview being audio recorded. | Yes/No |
| 5. I agree that notes be taken during the interview. | Yes/No |
| 6. I consent to the data generated from the interview being transcribed. | Yes/No |
| 7. I agree that the findings of this research may be published in academic journals. | Yes/No |
| 8. I understand that the interview is not imposed on me but voluntary. | Yes/No |
| 9. I understand that I have the right to withdraw if so desired. | Yes/No |
| 10. I understand that the information from the interview will be for academic purposes. | Yes/No |

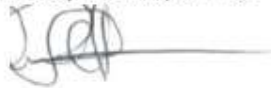
Participant's name (Block Letters)

Participant's Signature

Date

Researcher's Name (Block letters) ROMAN, GIFT U.

Researcher's Signature



Date

Appendix ix

INTERVIEW GUIDE FOR SEMI STRUCTURED INTERVIEWS

Questions and sub-questions

1. What is the perception of leadership in Nigerian manufacturing SMEs; in particular your firm?
 - i. Do you have managers/leaders in your firm?
 - ii. What leadership style exists in your firm?
 - iii. What is the influence of the leadership style on your job performance?
 - iv. What is your perception of the leadership style in your firm?

- v. How does the existing leadership style affect the Firm Growth?
2. What is the perception of managerial capability in Nigerian manufacturing SMEs; in particular your firm?
 - i. Do the managers possess certain managerial skills and competencies?
 - ii. What managerial skills, competencies and capabilities do managers possess?
 - iii. What influence do the existing skills have on your performance?
 - iv. What influence do the existing skills have on the performance of other employees?
 - v. What influence do the existing skills have on the Firm Growth?
3. What is the perception of accountability in Nigerian manufacturing SMEs; in particular your firm?
 - i. Do you have assigned roles in your firm?

If yes, do you have sufficient authority to do the assigned roles?
 - ii. Do you know who you are accountable to in your firm?
 - iii. Does your firm have in place defined job schedules for each staff with the staff having knowledge of who they are accountable to respectively?
 - iv. How does the knowledge and implementation of your stipulated job affect the performance of other staff?
 - v. How does the knowledge and implementation of your stipulated job contribute to the growth of the firm?
4. What is the perception of reporting structure in Nigerian manufacturing SMEs; in particular your firm?
 - i. Does your firm have an existing organogram depicting different functional levels and reporting lines of persons in authority?
 - ii. If yes, is the knowledge of it made available to all staff of the firm and is there implementation?
 - iii. What type of reporting structure exists in your firm?
 - iv. What are the effects of the existing reporting structure on employee performance in your firm?
 - v. How does the existing reporting structure affect your Firm Growth?

Appendixx.Findingsofthestudy

Perceived Leadership		
	Leadership Style	<p>‘Operationally the managers use all leadership styles to get desired result. Mostly used is the participative leadership style. This has proactive impact because the employees know they are part of the management team hence compliance is experienced on decisions made. The participative leadership style gives the employees a sense of belonging. It boosts employee performance and improves productivity ensuring the survival and success of the firm.’</p> <p>‘We practice participative leadership style. The participation is not only in the area of working together as a team but also in the area of decision making. Managers liaise with subordinates. Decisions are taken with subordinates who are intelligent. Two good heads are better than one. There is democracy in intelligence. No one person is the repository or reservoir of knowledge. Consequently, routine meetings are held generating insightful suggestions on management issues. This boost performance and productivity hence keeps the firm in business. Growth is then positively influenced.’</p> <p>‘Employees are happy with the leadership style because it is participative leadership. The managers carry the employees along in decision making. They listen to the opinions of subordinates which boost the morale ofthe subordinates to go extra mile on the job. It further positively influences performance and productivity ensuring the workability and stability of the firm.’</p> <p>‘We engage in participative leadership though there are some decisions that are taken at the strategic level and disseminated to the middle and lower levels. It is sometimes observed that those at the lower levels have superior ideas which are usually not set aside by the management. This gives a sense of belonging to the staff and boost performance and productivity hence keep the firm in business.’</p> <p>‘The employees perceive the managers to be unfair and autocratic. This style leads to eye service. When the manager is around, employees work but in his absence they stop work. This negatively influences performance and productivity though something can be done to reverse the situation.’</p> <p>"The leadership style is perceived to be autocratic. This causes employees to complain although the managers see this approach as suitable. The series of complain of staff cause us to work with levity which disrupts the workability of the firm and impedes organisational success.’</p> <p>‘It is only in few cases that opinions of subordinates are sought. The managers are very autocratic though practice participative leadership style in the area of working with subordinates. The managers feel their decisions are superior and must be implemented. It is obvious that the subordinates sometimes give</p>

		<p>superior arguments and decisions but because of the autocratic leadership style of the managers they reject that of the subordinates. This attitude of the managers discourages the subordinates and make them feel not being part of the firm except in the area of work. Their performance dwindles which in turn adversely influences productivity and growth. It leads to stagnation and high staff turnover.'</p>
	Orientation	<p>'Unfortunately the managers though practice participative leadership styles are not human oriented but task oriented. This is because they don't care about the welfare of the staff but are concerned about the job alone. All they know is that the job should be done irrespective of the feeling of the staff. This on the other hand discourages staff from working hard to boost performance and increase productivity.'</p> <p>'The managers are also task oriented because the primary reason for staff to be employed is to work and make profit. Every other thing is secondary. Whoever does not meet up with the job is usually penalized though after some warnings.'</p> <p>'They are task oriented. Consequently, we (lower levels staff) hardly take responsibilities for failure to achieve set goals because we were not part of the decisions taken. We do not have a sense of belonging hence only work the way we feel we can work; whether it yields desired outcome or not we're not bothered. Performance of employees dwindles and productivity decreases hence sustainability becomes a challenge.'</p> <p>'The managers are task oriented and autocratic. Managers take decisions alone hence subordinates most times refer issues to the managers. This does not allow the subordinates to use their initiatives hence they don't put more effort on the job. This does not in any way boost performance neither does it improve productivity and growth.'</p> <p>'The managers are task oriented; their concerns are about task accomplishment. This is the major reason why employees come to work hence it must be achieved by all means. The employees don't seem to be happy with this style hence most times work with pretense. There are measures put in place to ensure they work.'</p> <p>'Performance is most times not as expected but there is hope for a change. Productivity is sometimes adversely affected as well. Growth dwindles.'</p> <p>'Apart from the participative leadership style, I believe in being a human oriented manager who believes not only on the job but the welfare of the employees. When employees know that managers have their interest at heart, they put in more effort on the job and increase performance. No staff feels happy working when their interest is not taking into cognizance.'</p>

		<p>‘As for me I believe in being human oriented to give the employees a sense of belonging. This will propel employees to put more effort on their jobs. It will increase performance and productivity. Managers are perfectly in touch with all staff even to the least like cleaners. Punishment is meted to defaulters while incentives like promotion given to hard workers. When employees feel that they are being carried along, they work to improve performance.’</p>
Managerial Capability.	Human Relation Skills	<p>‘Educational, academic and technical skills are needed but human relational skills are paramount. Attitude, knowledge promotes and stabilizes the manager. Humans are with different dynamics and characters hence the manager must be competent in all ramifications ready to absorb faults and correct faults by teaching. Managers must be up to date in knowledge base, interact with subordinates, be abreast with current happenings and possess HR skills.’</p> <p>‘Our managers ought to have some level of Emotional intelligence to understand the different nature of employees working with them. Each employee has unique traits that need to be understood by our managers to work well with us. By practicing human relation skills, there will be increase in performance and productivity. Besides the firm will be successful in accomplishment of set goals’</p> <p>‘The managers lack human relation skills; all they are concerned with is the job. They want the job to be done at all cost irrespective of the opinions or feelings of the subordinates. The absence of human relational skills reduces the interest of subordinates on the job which negatively affects performance, productivity and growth.’</p> <p>‘Human relations skills are lacking. Subordinates do not have the liberty to meet supervisors. The relationship between management and staff is not cordial. The concern of management is the payment of salaries at the month end. Managers are not concerned about staff welfare. This is being attributed to lack of training caused by cost reduction. If managers are trained, they will know the importance of human relation skills. Absence of human relation skills and training is a major cause of low performance, productivity and growth. This is because due to individual differences, most employees are difficult to understand and handle. They work in whichever way that suits them not yielding expected results.’</p>
	Coaching	<p>‘1st Century management styles is no longer the command and obey structure but consistent teaching; not necessarily writing in form of query but persistently teaching and coaching except there is need to resort to writing for record purposes where there is no change. Knowledge dissemination is done to coach employees on the job.’</p>

		<p>‘Managers are regular and up to date on the job to disseminate knowledge to subordinates. Through the process of knowledge dissemination, managers coach employees on the job’</p> <p>‘As a manger, I replicate myself to the extent that when I am not around, the job continues. My absence does not stop the work flow in any way. I coach subordinates on the job, increase my knowledge on the job. I am flexible with employees. ’</p> <p>‘Managers do on the job coaching. They coach staff which is limited to the extent of the job they know.’</p> <p>‘The knowledge of managers on the job is disseminated to subordinates through team work and coaching. The managers coach others on the job. The challenge here is that there is no training hence the knowledge of the managers is not upgraded and current. As a result it does not yield expected results on performance. This adversely affects productivity and growth.’</p>
	Team Work	<p>‘Team work is encouraged and enhanced to increase performance and productivity. Innovative ideas also increase performance and productivity. Hard work is appreciated by giving more work. Our managers engage in mentoring that also boost performance.’</p> <p>‘I encourage teamwork which enables share of ideas. I ensure that mentoring is practiced to build up staff capacity though some employees are difficult impacting knowledge on them.’</p>
	Learning	<p>‘Constant training is needed but sometimes denied staff due to unavailability of funds.’</p> <p>‘Staff training is an area of challenge.’</p> <p>‘Besides on the job coaching, training of staff is very essential but is hardly carried out.’</p> <p>‘A fundamental challenge experienced is the absence of training. Employees are not normally sent for training. This affects performance negatively because the staff lacks up to date knowledge. It further adversely affects productivity and growth.’</p> <p>‘On the other hand, the absence of training seems to be a hindrance to performance and growth. The world is dynamic and changing. To have competitive advantage, employees must continue to improve themselves on the job and not to rely on obsolete knowledge.’</p>
Accountability	Assigned Roles	<p>‘Employees have assigned roles and are up to date with job assignments. They are fully aware of whom to report to which makes for free flow of communication. This further enhances firm growth.’</p>

		<p>‘A staff can sit in for another staff that is absent. There is sometimes overlapping of jobs which impacts negatively on productivity and the firm performance. Jobs overlap because some employees sometimes find their assigned roles being done by other staff. This distorts the feedback process and cause laxity on the job which negatively affects performance and productivity.’</p> <p>‘There are assigned roles made known to employees. It has been observed that same roles are sometimes given to more than one staff which brings about confusion. Jobs therefore overlap. This is not too good as it duplicates effort and causes loss of man hour. The influence on the survival and success of the firm is adverse’</p> <p>‘There are assigned roles known to employees though some are overlapping, others are not self-explanatory hence lead to confusion.’</p> <p>‘There are assigned roles to employees. The roles are not very explicit hence overlap. You find someone doing another person’s job which results to duplication of jobs and loss of man-hour that negatively affects performance.’</p> <p>‘Due to ignorance of most staff about their assigned roles, roles overlap. That is some find themselves doing jobs already assigned to others hence duplicating efforts. Performance of employees is adversely affected, productivity decreases and growth dwindles.’</p>
	Authority	<p>‘Most times jobs are assigned but no authority to do the job.’</p> <p>‘There are assigned roles but no authority to carry out the assigned roles.’</p>
	Feedback Process	<p>‘Feedback process is very poor because subordinates work and hardly give feedback. This brings about poor performance because the superiors may not know if the job has been properly done according to specification. Variances may not be noticed and corrective measures not taken. This may be a reason for the firm not growing. Growth is badly affected.’</p> <p>‘Feedback process is faulty because jobs overlap hence confusion comes in as regards who to give feedback. This adversely affects performance and productivity.’</p> <p>‘A staff can sit in for another staff that is absent. There is sometimes overlapping of jobs which impacts negatively on productivity and the firm performance. Jobs overlap because some employees sometimes find their assigned roles being done by other staff. This distorts the feedback process and cause laxity on the job which negatively affects performance and productivity.’</p>

		<p>‘Meanwhile the person entrusted with the job to do is usually not aware of the reporting line of authority hence gives no feedback. The feedback process is therefore distorted. When this happens, it is difficult to determine the variance; that is difference between job expectation and actual performance. This therefore adversely affects performance, productivity and growth of the firm.’</p> <p>‘There are reporting lines not known to all though they exist. Those not aware of whom to report to hardly give feedbacks hence variances are difficult to identify. The feedback process is most times overlooked. It then becomes difficult to take corrective measures hence impacts negatively on performance, productivity and growth.’</p> <p>‘Most employees don’t have knowledge about the jobs given to them. Sequel to this, there is no feedback process. This is dangerous to the health of the firm as it adversely affects performance. Employees do jobs without performance measures or checks by supervisors. This is detrimental to the growth of the firm. Jobs are not streamlined hence jobs overlap which result in loss of man hour.’</p> <p>‘Feedback process is always a problem that needs to be addressed. This is sometimes attributed to ignorance of who to report to.’</p> <p>---</p> <p>‘There is always feedback process which reveals actual performance and measures it against the expected. Where there is negative variance explanations are given and corrective measures taken. When assigned roles are carried out well and when due, performance of staff on the job increase which in turn increases productivity and growth. Sometimes assigned roles overlap and this causes distortions and negatively affects performance.’</p> <p>‘There exists a feedback process. Jobs sometimes overlap though the feedback process makes room for assessment of jobs, determination of variances and taking of corrective measures. This boost performance, productivity and growth.’</p>
	Knowledge	<p>‘In most cases one may not even have knowledge on how to do the job. This is because employees are not trained. On the job coaching is not sufficient. The world is dynamic and enterprises are dynamic as well hence obsolete knowledge will not suffice in doing the job.’</p> <p>‘Unfortunately I don’t have knowledge on how to do most of the jobs.’</p>

		<p>‘Knowledge of the job is another identified challenge. Most employees know virtually nothing about the jobs assigned to them hence hardly make any useful contribution on the job. Most firms are flooded with novices who probably got the jobs through whom they know. These ones also grow up the ladder through their human connections again. How can the firm increase performances, be successful and survive? It is a nightmare.’</p> <p>‘Most employees don’t have knowledge about the jobs given to them. Sequel to this, there is no feedback process. This is dangerous to the health of the firm as it adversely affects performance. Employees do jobs without performance measures or checks by supervisors. This is detrimental to the growth of the firm. Jobs are not streamlined hence jobs overlap which result in loss of man hour.’</p> <p>‘Most employees even lack knowledge on the job. Performance dwindles, productivity and growth fluctuates.’</p>
Reporting Structure.	Organ gram	<p>‘There is existence of organ gram with the CEO, Administrative secretary, Accountant, Unit Heads and subordinates. The organ gram may not be known by all though it exists. With the awareness of the organ gram, employees know the reporting line of authority. There are numerous hierarchical levels.’</p> <p>‘There are organ grams not known to all but to only the strategic management.’</p> <p>‘There is an organ gram but it seems to be on paper alone. In reality it does not really exist. Employees don’t know their reporting line of authorities. This in itself is a problem.’</p> <p>‘There is an organ gram known to a few but not all. Those ignorant of it lack knowledge of who to report to hence report to multiple superiors that breeds misunderstanding hence negatively influences production.’</p> <p>‘There is no organ gram. If at all there is, then it is known to only those at the strategic level. There are too many rules and regulations that bring about rigidity and confusion among employees. Almost everyone seems to be a manager issuing laws that must be kept. Different rules emerge which sometimes conflict with each other.’</p> <p>‘There is no organ gram existing. Any manager can give instructions to any employee and such instructions must be adhered to. There are rules emanating from those at the strategic level.’</p>
	Decision Making	<p>‘The hierarchical levels sometimes cause rigidity and slow down decision making. Decision making most times are centralized</p>

		<p>which does not make room for subordinates to use their initiative. Nevertheless when given the opportunity some make useful suggestions which management sometimes consider. The reporting structure is a vertical one with many reporting lines. This results in having subordinates more than necessary reporting to same person.'</p> <p>'The centralized management system is practiced where decision making is centralized at the strategic level alone. Decision making processes are slowed down due to many hierarchical levels. This reduces interpersonal contact, brings about rigidity and decrease performance and productivity.'</p> <p>'There are numerous hierarchical levels. The existence of numerous levels is not favorable to the firm as decision making process takes longer time than it should be. Decision making is centralized among a few hence employees cannot use their initiative.'</p> <p>'Communication is difficult because the numerous levels distort ease of communication; decision making processes are slowed down and inter personal relationship and contact between managers and subordinates distorted. Most times it takes months to be able to speak to one's manager. All of this impacts negatively on performance and productivity.'</p> <p>'The reporting structure is tall, vertical with many hierarchical levels. This alters ease of communication and fast decision making process and dissemination of information. Inter personal relations and contact is sometimes adversely affected. This is not favorable with respect to performance and productivity.'</p> <p>'There are a lot of rules made and decisions taken at the strategic management level. The workers experience rigidity because once decisions are taken they are imposed on every staff and there is usually no room for flexibility. Since decision making is only at the strategic level, the subordinates do not have a sense of belonging. The centralized nature of decision making is not appreciated by employees because it hardly makes room for ease of communication. Interpersonal contact between management and employees is usually ignored. Consequently performance is affected negatively and productivity and growth adversely affected.'</p> <p>'Decision making is not centralized at the top. It is decentralized. There is no knowledge of reporting lines neither authority nor hierarchical levels.'</p>
	Hierarchical Structure	<p>'The hierarchical levels sometimes cause rigidity and slow down decision making. Decision making most times are centralized which does not make room for subordinates to use their initiative. Nevertheless when given the opportunity some make</p>

		<p>useful suggestions which management sometimes consider. The reporting structure is a vertical one with many reporting lines. This results in having subordinates more than necessary reporting to same person.'</p> <p>'Decisions are centralized at the strategic level and disseminated down the different lines of authority. The reporting structure is tall, vertical with many hierarchical levels.'</p> <p>'The vertical reporting structure is practiced with many hierarchical levels. Decisions are centralized.'</p> <p>'The centralized management system is practiced where decision making is centralized at the strategic level alone. Decision making processes are slowed down due to many hierarchical levels. This reduces interpersonal contact, brings about rigidity and decrease performance and productivity.'</p>
	Communication	<p>'Ease of communication does not exist between management and subordinates as a result of the numerous reporting lines. Inter personal relationship is hardly experienced as well. The interpersonal relationship that exists is mostly among fellow managers. This breeds bad performance which decreases productivity.'</p> <p>'Communication is difficult because the numerous levels distort ease of communication; decision making processes are slowed down and inter personal relationship and contact between managers and subordinates distorted. Most times it takes months to be able to speak to one's manager. All this influences negatively on performance and productivity.'</p> <p>'Subordinates do not enjoy ease of communication between themselves and managers. Inter personal relationship exists among managers and some subordinates. Performance and productivity are usually negatively affected. This stalls the survival and success of the firm'</p> <p>'The reporting structure is tall, vertical with many hierarchical levels. This alters ease of communication and fast decision making process and dissemination of information. Inter personal relations and contact is sometimes adversely affected. This is not favorable with respect to performance and productivity.'</p> <p>'There is no ease of communication. The flow of communication is stiffened. Interpersonal relationship is porous. Performance is not as expected. Growth is poor. We are always struggling to survive.'</p> <p>'Ease of communication is hardly experienced among staff due to ignorance of who to report to. There is interpersonal relationship as a result of the participative leadership style</p>

		practiced. There is flexibility. Summarily performance, productivity and growth are not as expected. There is a down turn of events.'
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Appendix xi

Picture with respondents in the factory

