

## Impact of Firm-Based Family Culture on Employee Involvement in Nigerian Manufacturing Firms

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### Abstract

Every organization strives to achieve competitive advantage in the game of business. To achieve this, organizations are adopting new strategies aimed at motivating employees to be more committed to organizational goals and objectives. One of such strategies is putting in place structure that make employees see and relate to their organization as a family. This paper examined the relationship between firm-based family culture and employee involvement in selected manufacturing firms in Nigeria. It adopted an empirical research approach. A survey research design was employed for the study. The simple random sampling technique was utilized. A sample size of 292 was obtained from 1074 employees of five selected manufacturing firms in Port Harcourt Nigeria using the Taro Yemen's formula. The Pearson's Product Moment Correlation Co-efficient was used to test the postulated hypotheses at level of significance of 0.05. The paper reveals a positive and significant relationship between firm-based family culture and participation, empowerment and teamwork. The paper concludes that firm-based family culture correlates significantly with employee involvement in manufacturing firms. Moreover, organizational positive outcomes such as commitment, productivity, innovativeness and adaptability results from the presence of cultures that promotes employee involvement in business. It recommends that, organizations should strategize themselves as both economic and social institutions that seek to promote economic outputs as well as employee's welfares and well-being, among others. Organizations should adopt open door policy in order to encourage employee to contribute freely and also express their opinion and views in a more appropriate manner. In addition management should ensure favourable working condition, and firm climate, and also consider employee welfare and organization/management support very vital in order to drive employee's sense of family in the organization, among others.

**Keywords:** Firm-based family culture, employee involvement, participation, empowerment, teamwork, competitive advantage.

### Introduction

Today, unexpected pressures, challenges and uncertainties are increasingly becoming a way of life for organizations from all sectors. These pressures which are brought about by new trends in technologies, intense local and foreign competitions, capital problems, customers' quest for improve quality products at lower cost, need for competent employees, among other factors, have become serious causes of concern for all organizations as they find it very difficult to make accurate forecast about their future and in the decision making of future business plans. Organizations are therefore in serious search for more effective, adaptive, and productive strategies in order to gain competitive advantages over their competitors.

In today's business environment, managers are stepping out of their shelves to face organizational challenges squarely and do not just assume that all will be well with their organizations if they continue to do what they have been doing before. Without doubt, involving the employees in organizations' processes and making them see and think of the organization and its members as family is important to pull together in the same direction to ensure survival and attainment of organizational goals and objectives. This is because employees are the most essential ingredient in building highly successful and effective organizations (Oforegbunam & Okorafor 2010), and for organizational survival (Obiekwe, 2012). Thus, management that cannot involve their employees on certain matters concerning their work process at their levels is indirectly planning for the failures and extinction of their organization.

Organizational family culture is seen as a reliable strategy to help organizations survive, grow and become effective in the midst of threats and challenges in their environment. With the realities and associated telling effects of the high level competitions and uncertainty facing organizations today, a family-like approach to business that emphasis dependence, cooperation, cohesiveness and values to encourage employee's total loyalty and commitment becomes essential. By utilizing the power of oneness, unalloyed loyalty, cooperation and openness which are common feature of teamwork, organizations can thus build a competitive advantage over others as they work together to solve their problems,

Employee involvement refers to a process by which employees are empowered to participate in firm processes as to achieve individual and organizational efficiency and performance (Sofijanova & Zabijakin–Chatleska, 2013). According to Apostolou (2000), "companies successfully compete through her employees". Literature indicates that employee involvement is related to improved organizational performance (Oparanma & Obiekwe, 2017; Markos & Sridevi, 2010), increase in commitment (Heathfield, 2016), and improve job satisfaction, intent to stay and increased job productivity (Mishra, Arya, Kumari & Talreja, 2013).

The purpose of this paper was to empirically determine the effect of firm-based family culture on employee involvement in the Nigerian manufacturing industry. The specific objectives are; (1) to examine the relationship between firm-based family culture and employee participation. (2) To examine the relationship between firm-based family culture and empowerment. (3) To examine the relationship between firm-based family culture and teamwork. The research question addressed in this paper was: What is the extent of relationship between firm-based family culture and employee involvement? The applicable hypotheses were:

**H<sub>01</sub>:** There is no significant relationship between firm-based family culture and employee participation in the manufacturing industry in Nigeria.

**H<sub>02</sub>:** There is no significant relationship between firm-based family culture and employee empowerment in the manufacturing industry in Nigeria.

**H<sub>03</sub>:** There is no significant relationship between firm-based family culture and teamwork in the manufacturing industry in Nigeria.

## 2. Literature Review

### Firm-Based Family Culture

Every organization wants to achieve advantage over its competitors. They therefore put in place strategies and systems of values which it can use to motivate its employees in order to help it achieve its objectives. A family-like approach to business that emphasis support, trust,

inter-dependence and commitment of employees to their organizations are therefore what management looks forward to in order to make their employees exert total effort and commitment towards their organizations. Firm-based family culture is one of the dimension of organizational family culture identify by Obiekwe (2017).

Organizational family culture is the values, mindset, shared beliefs, and attitude involving a group of people in an organization seeing and relating to one another as a family (Obiekwe, 2017 and 2018). This is possible in an organization as members of an organization have shared values, norms, attitudes, ideas and mindset that give them a sense of bonding and family. By promoting the spirit of community which makes members believe that they are connected to each other, it creates a deeper sense of connection among the employees manifest in support, genuine caring, and expression of one's mind. This concept is based on the recognition that an employee will pursue and promote the interest and well-being of the organization if he sees the organization and its members as a family.

The dimensions of organizational family culture identified by Obiekwe (2017) are firm-based family culture, team-based family culture and consultative family culture. This culture is characterized by the fact that people accept and like each other all over the organization. The ideal of we care and look after each other attitude is present as significant value is placed on reciprocity ideal in human interaction. There is also employee's willingness to step in to assist others when the need arises, or even volunteering to "help before they are asked" even in the most selfless manner (Goofee and Jones, 1998).

Firm-based family culture is defined as the values shared at the organizational level that gives organizations' members a sense of family in the organization (Obiekwe, 2017). This type of culture operates at the general firm level, and represents the human orientation characteristic described by Robbins, Sanghi & Judge (2009). According to Hakim (2015) human orientation represent the degree of extent to which management put into consideration the effect of the outcome of its decisions on her employees. Firm-based family culture is usually initiated to cover every aspect of operational and inter-relationship values within the organization.

The indices of firm-based family culture include; open door policy, fondness and admiration (Wallace, 2016), employee's recognition, favourable working condition, favourable firm climate, mentoring, employee welfare and organization/management support (Obiekwe, 2017).

### **Employee Involvement**

Adaptive organizations are adopting policies with which to empower their employees to be involved in organizations' processes in other to improve its performance, and to develop competitive advantage in market place (Khattak, Igbal, & Khattak, 2012). Kuye & Sulaimon (2011) noted that organizations that are forward-looking trust and involve their employees in vital organizational actions and always update them on vital issues affecting them. The need to let employees understand the importance of continuous creativity and need to make them committed to their work in new and improved ways has added to the growing concern for employee involvement (Kingir and Mesci, 2010; Singh, 2009).

Employee involvement is a process of participation and empowerment of employees to use their competencies to achieve enhanced and higher organizational benefits. It is management initiative which allows employees to participate in decision making as well as their

empowerment in order to utilize their abilities to achieve improved performance. It also concerned with how employees can be best and most appropriately engaged to participate in organizational processes in order to contribute to improvement in the success of their organizations (Sofijanovna & Zabijakin–Chatleska, 2013; Apostoluo, 2000; Heathfield, 2016).

**Employee Participation:** Employee participation is a management procedure to authorize workers to contribute to decision making in the organization. Thus, it is direct involvement of employees in decisions that affects their immediate work or job. It is an initiative or process in which opportunities are given to employees to partake in decisions relating to their work or discuss issues to influence managerial decisions. Indicators of employee participation in organizations are joint consultations, board representation, committee membership, joint goal and target setting, among others (Apostoluo, 2000; Obiekwe, 2017; and 2018). Employee participation in decision-making makes the implementation of decision very easy and successful as employees see those decisions as their own decisions. It also ensures quality, enhances harmony in the organization, improves staff morale, instills a sense of pride and self-esteem and increases employee’s motivations (Rice, 1987; Parshiadis 1987).

**Employee Empowerment:** Empowerment refers to the development of liberty of option to act (Khattak et al, 2013). It is a managerial process aimed at giving employees greater freedom, autonomy and self-control in decision making over their work (Sofijanovna & Zabijakin–Chatleska, 2013). In the view of Apostolou (2000) empowerment refers to the power the employees have to take decisions. Employee’s empowerments represent a major part of organizational effectiveness (Benis and Nanus, 1985). When employees are empowered, command-control system is abandoned. Major indices of empowerment include delegation, training/development, and provision of information (Nwachukwu, 2006; Fapohunda, 2013). Nwachukwu (2006) stated that no organization can function effectively without employee empowerment. According to Siami & Gorji (2011), delegation of authority is strongly correlated with employee performance. It also enables employees to contribute to decision-making process and think actively all time to meet rising challenges that may arise in their work process.

Training is defined as activity designed to to help an individual gain knowledge and specific skills in order to help them perform some designated tasks and functions or to update skills and knowledge already acquired. It is activities undertaking to exposed an employee to perform additional duties and assume position of importance in organization’s hierarchy (Nwaeke and Obiekwe, 2017; Nwachukwu, 2000),

Provision of information is essential if an employee is to know exactly what is expected of him/her in the cause of task operations. Information provision empowers individuals to how successful he has been or otherwise. Effective and timely information feedback generates in employees a high sense of support and direction which help an employee to develop trust and attachment toward the organization.

**Teamwork:** Teamwork is the integration of human resources working together in harmony to achieve set organizational goals and objectives. The work and success of a team depend on the individual performances and collective work result of its members. In other words, members of the team must be committed to reach the goal of the team, and must be jointly held accountable for the group actions and the outcomes of their actions (Fapohunda, 2013). It is a form of collective work that might involve individual tasks, but usually collective tasks where every member contributes a part to the entire team’s work.

Khattak et al, (2013) note that team-based structure increases organizations performances. This is supported by Denison (2000) who notes that organizations are utilizing team effort to achieve their goals and objectives, as well as improve organizational performances.

### Methodology

The research design adopted in this paper is the quasi-experimental research design which is also known as survey method. The population consists of employees of five selected food and beverages manufacturing firms in Nigeria, with locations in Port Harcourt city of Rivers State. The population size of the selected firms was 1074 employees. A simple random sampling technique was used to select a sample size of 292 respondents determined through Taro Yemen's formula. Out of the 292 copies of the questionnaire distributed for this study, 252 copies (86.3%) were retrieved from the respondents. However, 30 copies were invalid while 222 copies (76.02%) copies were duly certified valid for the study analysis. Pearson Product Moment Correlation Coefficient was used to test the postulated hypotheses using the SPSS at 0.05 level of significance.

**Table 1 showing distribution of the Study Population/ Questionnaire Response Rate**

S/ N	Manufacturing Firms	No. of Employees	Questionnaire Administered/ Sample Size	Questionnaire Retrieved	Number Invalid	Number Valid
1.	Company A	502	136	118	16	102
2.	Company B	280	76	65	9	56
3.	Company C	92	25	23	3	20
4.	Company D	95	26	20	1	19
5.	Company E	105	29	26	1	25
.	<b>TOTAL</b>	<b>1074</b>	<b>292</b>	<b>252</b>	<b>30</b>	<b>222</b>

Source: Field Survey, 2017

### Test of Hypotheses and Results

The study tested three hypotheses. The first hypothesis related firm-based family culture to employee participation. Table 2 presents the test results.

**Table 2: Correlation between firm-based family culture and employee participation**

		Firm-based FC	Participation
Firm-based FC	Pearson Correlation	1	.613**
	Sig. (2-tailed)		.000
	N	222	222
Participation	Pearson Correlation	.613**	1
	Sig. (2-tailed)	.000	
	N	222	222

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

Source: SPSS Output Version 22.0

The positive value of  $r$  ( $= 0.613$ ) shows that a strong positive correlation exist between firm-based family culture ( $x$ ) and employee participation ( $y$ ). Because of the positive value, direction is said to be the same. As our p-value ( $= 0.000$ ) is less than the level of significance,



$\alpha$  ( $= 0.05$ ), we have rejected the null hypothesis and concluded that: There is a significant relationship between firm-based family culture and employee participation in manufacturing firms in Nigeria;

Our second hypothesis related firm-based family culture to employee empowerment. Table 3 shows the result of the test.

**Table 3: Correlation between Firm-Based Family Culture and Employee Empowerment**

		<b>Correlations</b>	
		Firm-based FC	Empowerment
Firm-based FC	Pearson Correlation	1	.288**
	Sig. (2-tailed)		.000
	N	222	222
Empowerment	Pearson Correlation	.288**	1
	Sig. (2-tailed)	.000	
	N	222	222

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

**Source: SPSS Output Version 22.0**

The value of  $r = (0.288)$  shows that a weak but positive correlation exists between firm-based family culture (x) and employee empowerment (y). Because our p-value = (0.000) is less than the level of significance,  $\alpha = (0.05)$ , we have rejected the null hypothesis and concluded that there is a significant relationship between firm-based family culture and employee empowerment in manufacturing firms in Nigeria;

Our third hypothesis stated that there is no significant relationship between firm-based family culture and teamwork in manufacturing firms in of Nigeria. The result of the test of this hypothesis is contained in table 4.

**Table 4: Correlation between firm-based family culture and teamwork**

		<b>Correlations</b>	
		Firm-based FC	Teamwork
Firm-based FC	Pearson Correlation	1	.573**
	Sig. (2-tailed)		.000
	N	222	222
Teamwork	Pearson Correlation	.573**	1
	Sig. (2-tailed)	.000	
	N	222	222

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

**Source: SPSS Output Version 22.0**

The SPSS window reveals the correlation coefficient of the variables x and y as 0.573. This positive value of  $r = (0.573)$  shows that there is a strong positive correlation between firm-based family culture (x) and teamwork (y) in the sample of manufacturing firms in Nigeria. Because of this positive value of  $r$ , direction is said to be the same: in other words, an improvement in one direction is said to leads to an improvement in the other. Since our p-value = (0.000) is less than the level of significance,  $\alpha = (0.05)$ , we concluded that there is a significant relationship between firm-based family culture and teamwork.

## **Discussions of Findings**

**Hypothesis 1 (Ho<sub>1</sub>)** sought to examine the relationship between firm-based family culture and employee participation. The Pearson Product Moment Correlation Co-efficient was used to test this hypothesis. The analysis showed a coefficient of 0.613 at the significant level of 0.000 which led to the rejection of the null hypothesis 1 (Ho<sub>1</sub>). The implication of this finding is that firm-based family culture correlates strongly, positively and significantly with participation of employees in manufacturing firms.

This finding shows that manufacturing firms have cultures which downplay central control method and give room for employees to participate in organizations' actions and processes at their levels in the organization. When managers mentors employees to grow in organization, they are indirectly preparing the employees to learn firsthand from dependable and experienced personnel in order to prepare them to be actively involved in organization's decision making at moment or in the future.

**Hypothesis 2 (Ho<sub>2</sub>)** sought to examine the relationship between firm-based family culture and empowerment. Pearson Product Moment Correlation Co-efficient was used to test this hypothesis. The analysis showed a significant positive but weak correlation of 0.288 at significance level of 0.000, which made us to reject the null hypothesis 2 (Ho<sub>2</sub>). This finding thus shows that firm-based family culture correlate very significantly with empowerment of employees.

**Hypothesis 3 (Ho<sub>3</sub>)** examined the relationship between firm-based family culture and teamwork. Pearson Product Moment Correlation Co-efficient was used to test this hypothesis. Our analysis showed a coefficient of 0.573 at the significance level of 0.000. Based on this, we rejected the null hypothesis 3 (Ho<sub>3</sub>). The implication of this finding is that firm-based family culture correlates very significantly with participation of employees in manufacturing firms.

This finding is in line with the assertion of O'Reilly et al (2000) when they confirm that a firm's culture and environment are good predictors of the success of employees and team activities as a good firm culture requires that an organization encourages fun in the workplace; promote employees positive relationship; build an atmosphere of trust and fairness, as well as put the employee on their balance sheet, to make them vital part of the organization community – include, extended family relationship

## **Conclusion and Recommendations**

This paper investigated the relationship between organizational family culture and employee involvement in manufacturing firms in Nigeria. The conclusion of this paper provides support that a positive correlation exists between organizational family culture and employee involvement, and that employees are vital building blocks for organizations to develop and execute their strategies and to achieve stated goals and objectives. Organizations with a culture that encourages supportive and friendly work environment, where members see and relate to others as a family derived better business performance and improved shareholders value through effective planned employee involvement. In addition, employees' genuine and total commitment can only take place or develops when the employee consider himself as a part of the organizations' family or part of the system.

It is recommended that Organizations should see and strategize themselves as both economic unit and as a social institution that seek not only the provision of economic output for profit

maximization, but also seeks to support and promote employee's sense of family so that they can whole heartedly commit themselves in seeking and promoting organizational well-being. Organizations should create positive organizational climate in order to generate employees' high feeling of psychological attachment to the organization to make them have a high level of acceptance of the organization as 'their family'.

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