

## EFFECT OF STRATEGIC EMPLOYEE EMPOWERMENT PRACTICE ON PERFORMANCE OF MANUFACTURING IN NIGERIA

MAHMOUD ABBAS

Nile University of Nigeria

Department of Business Administration

### Abstract

*This study investigated the Effective Quality Management on The Performance of Manufacturing Firms in Nigeria. Most Nigerian organizations perform abysmally because of non-implementation of Effective Quality Management. They are ignorant of the programme, which reduces defect rate, and cost. Effective Quality management streamlines efficient and cost-effective system and process that reduces overhead and improve performance. It also emphasizes error prevention in place of error correction that increases cost. The paper adopted a singular source of data collection. The secondary source of data generation, the data was analyzed using the content analysis approach. This is because of its major dependence on the secondary source data. Findings also revealed that effective quality management has significant positive impact on the performance of listed firms in Nigeria. Based on the results, the study recommended that effective quality management showed significant impact on firms' performance, firms should also be encouraged to use efficient quality management tools like statistical process control (SPC), which can help firms maintain consistent, high-quality processes by identifying process variations that could affect the quality of their products through data measurement and analysis.*

**Keyword:** *Strategic employee, employment practice, performance, manufacturing firms*

### INTRODUCTION

In today's highly competitive and dynamic global business environment, organizations all over the globe are required to deliver world-class products and services (Ahuja & Kumar, 2019; Psomas & Fotopoulos, 2019). In pursuit of attaining this goal, organizations have been acquiring competitive strengths through the adoption of world-class strategies like Total Productivity Management (TPM) (Leonard, 2020).

This world-class strategy has gained prominence in business organizations during the last five decades and have conquered today's organizational arena (Ahuja & Khamba, 2018; Hernandez, 2020; Sharma & Kodali, 2018). The benefits achieved through the implementation of total Productivity management in business organizations have been widely reported in management

literature; this has led to the continuous interest in the concept (Ahuja & Khamba, 2018). Many leading organizations during the last decade have been using total productivity management (TPM) as a competitive strategy. For example, leading American organizations like Proctor and Gamble, DuPont, Eastman Chemical, Ford, AT & T and Texas Instruments have adopted TPM as a tool for enriching competitiveness (Ahuja & Khamba, 2018).

In management literature, several researchers have reported the power of TPM. Ireland and Dale (2019) state that the TPM program aids an organization to strive continuously for producing non-defective products which by extension impacts its performance level. Organizational performance has been central to the attention of scholars as it is one of the most important constructs for measuring the effectiveness of an organization (Combs, Crook, & Shook, 2021).

Total productivity management seeks to maximize equipment effectiveness throughout the lifetime of the production equipment. According Bhadury, (2020) total productivity management aims at improving existing plant equipment conditions and increase the knowledge and skills of frontline personnel on the production floor. It strives to maintain the equipment in optimum condition in order to prevent unexpected breakdown, speed losses and quality defects. TPM initiatives in production help in streamlining the manufacturing and other business functions, and garnering sustained profits (Fullertona, Kennedy& Widener, 2020).

In an effort to reduce equipment downtime and boost firms' performance, most Nigerian's firms have implemented total productivity management programs at one time or another in the form equipment optimization, planned preventive management policies, strategic employee empowerment practices, and effective quality management (Eti et al., 2019). However, despite these efforts being made, some of the firms still experience operational inefficiencies which are making them to experience a decline in their profit.

This study used primary data for the analysis because primary data are more accurate and reliable than secondary data since it comes from a direct source. In addition, to the best of this study's knowledge, no study has examined the impact of total productivity management on firms' performance in Abuja; therefore, focusing on the city will also close a knowledge gap.

- i. explore the effect of strategic employee empowerment practice on performance of listed manufacturing firms in Nigeria.

## LITERATURE REVIEW

The dynamic nature of changes in the environment, particularly as they affect the tastes and aspirations of consumers, underscore the need to respond effectively to challenges posed by the changes. On the account of deregulation of our economy, competition has become a major challenge which chief executives must meet effectively in order to remain in business. Most managers agree that if an organisation is to be successful, it must change continually in response to significant development, such as customer needs, technological breakthroughs and government regulations (Chiekezie, and Arachie, 2019).

Globalization of market and operations forces organisations to think over their quality problems and in turn their overall organisational competitiveness. In order to be successful in this global market, organisations should dedicate themselves to improving productivity and quality in a timely and collaborative manner (Dobyns and Crawford, 2019). Almanei et al (2021) indicates that productivity management is integral components of organisational strategies. Designing and developing suitable

Applied for the measurement of efficiency of production, productivity is a production output's ratio to the input (raw material, capital, energy, personnel, etc.) needed for its production, and very crucial to the financial success of any organisation. Often considered as a major source of economic growth and competitiveness, productivity is the objective that has to be maximized in manufacturing process, as it is the ratio between wealth output and the input of resources expended during the course of manufacturing. According to Sreekumar et al. (2018), can be defined as the measure of entire employees' efficiency, equipment and machines, types of inputs like raw materials, company's leadership performance, as well as the efficiency of all the system of production. They explained that it can be calculated and articulated as the ratio of mean output for each period by the entire expenses accumulated through diverse means like raw materials, capital, staff, labour, energy, consumables, etc. that are expended during the process of production.

### **Strategic employee empowerment practice Policy**

Employee empowerment plays a substantial role in the success and survival abilities of the organization in this era of globalization. According to Tsala, (2018) empowerment also allows all employees to use their creative abilities to improve the organizational performance and

quality of their own work life, by empowering employees, major opportunities for costs reduction and customer dissatisfaction can be identified (Monica, 2019).

According to Mobley, (2021), employee empowerment enhances teamwork in any organization; empowered employees can enable the organization to enhance consumer loyalty, to build profitability, increment quality and lower costs. Making empowered groups with all the immediate data, control, acknowledgment, reward and training, is most likely to produce responsible teams that will effectively implement strategies to achieve goals of the company (Monari, 2021). Employee empowerment fosters a spirit of team work within the organization and uplifts the image of the organization.

Employees who realize the support, empowerment, opportunities and recognition provided by the organization will dedicate their effort, time and energy to service customers. According to Wagner, and Harter, (2021), training of employees encourages them to participate more actively by helping raise their confidence level. Employee training includes activities such as total quality, decision making, customer care relations models and employee relations (Wakjira & Singh, 2019).

Autonomous maintenance aims at developing operators who are able to take care of small maintenance tasks, thus freeing up the skilled maintenance personnel to spend time on repairs that require more expertise (Robinson & Ginder, 2018). Autonomous maintenance involves simple activities such as cleaning, lubrication, tightening of loose bolts and visual inspection (Wakjira & Singh, 2019) and aims at maintaining or restoring the new condition of the machines. Therefore, the performance of employee in organization mostly depends on the organizational support and developmental activities such as training and teamwork as it empowers them to convey top notch administration to clients (Mobley, 2021).

### **Performance**

Performance is refereed as the measurement of the efficiency and effectiveness of an organization. It was also defined by Moullin (2018) as the main goal of any organization to enhance the job performance of its employees so that it could survive in this highly competitive environment. Performance is a multidimensional construct and an extremely vital criterion that determines organizational successes or failures. Prasetya and Kato (2021) define performance as the attained outcomes of actions with skills of employees who perform in some situation.

According to Pattanayak (2018), the performance of an employee is his/her resultant behaviour on a task which can be observed and evaluated. To Pattanayak, employee performance is the contribution made by an individual in the accomplishment of an organizational goal; here the employee performance is simply the results of patterns of actions carried out to satisfy the objectives according to some standards. This means that employee's performance is a behaviour which consist of direct observable action of employee and also mental actions or product so as answers and decision which results in organizational outcomes in form of goals.

Mihai Ristea (2019) thinks that the following three concepts can be associated with performance: efficiency, economies and efficacy. This approach to performance was named by the professor as being the equation of the 3Es, and mathematically, it could be represented as follows:  $\text{Performance} = \text{Efficiency} + \text{Efficacy} + \text{Economies}$ . It can be noticed the fact that an entity is successful when it is efficient, effective and economical. Therefore, to be successful means combining all three variables, the combination of which reflects the performance level of an entity. Efficiency consists in either using a quantity given by resources, aimed at the highest level of the achieved results, or reducing the quantity of the used resources with the aim of achieving a predetermined result. Economies consist in providing the means, the necessary resources to performing an activity at the minimum cost. Efficacy is determined by achieving or exceeding the predetermined results to the actual results made throughout the development of the activity. This represents the ability of the enterprise to meet and even exceed the expectations of users of the accounting information (shareholders/associates, clients, suppliers, employees, government) at the same time with reaching the predetermined organizational objectives. An entity reaches efficacy when it manages to improve the way of using all sources which are available and necessary to the development of the activity, performing as well as possible the needs and the requirements of the external partners of the organization.

Performance has been the most vital issues for every organizations either profit or non-profit organizations. It is expedient for mangers to know the factors that affect the performance. However, it is quite difficult in actual sense to measure performance, but in this context performance is taken to be the productivity that is, the relationship between input and output (Ebhote, 2018). Thus, reviews of the literature by Ardishvili (2018), and Delmar (2021) found possible indicators of performance which include assets, employment, market share, physical

output, profits and sales. Several researchers suggest growth as the most important performance measure in small firms, with growth being a more accurate and easily accessible performance indicator than accounting measures, and therefore superior to indicators of financial performance (Wiklund, 2019).

Empirically, the lack of consistency in the measurement of organizational performance in management research has revealed a surprising lack of researchers “walking the walk. Organizational performance comprises the actual output or result of an organization as measured against its indented outputs or goals and objectives (Richard, 2019). Richard (2019) ascertain the organizational Performance encompasses three specific areas of firm outcomes: financial performance (profits, return on assets, return on investment) Product market performance (sales, market share) Shareholders return (total shareholder return, economics value added). Mahapatro, (2021) posit that organizational performance is the ability of an organization to fulfill its mission through sound management, strong governance and a persistence rededication to achieving results

## **Theoretical Review**

### **The Resource Based Theory**

The Theory originated from Penrose’s idea and expounded by Barney (2019) who suggested a link between firms’ resources and competitive advantage. In a firm, the theory is viewed as a managerial framework for determining strategic resources that have a potential delivering a competitive advantage to a firm (Wong & Karia, 2019). The resources in a firm are exploited in order to achieve a sustainable competitive advantage.

The fundamental intention of the RBV is that organizations are unique in respect of the strategic resources they own and govern (Barney 2019). The achievement of a sustainable competitive advantage by a firm relies on strategic management and strategic marketing. The theory offers strategists of manufacturing firms’ ways of assessing the possible factors that can be positioned to confer a competitive edge on market. Hart, (2019) argued that the main insight that arises from the RBV is that not all resources have equal importance nor possess the possible to become a source of sustainable competitive advantage. Vachon & Klassen, (2018) argue that competitive advantage sustainability mainly depends on the extent to which resources can be copied or replaced.

Theory Resource-Based View Theory postulates that internal organizational resources that are valuable, rare, inimitable and without a substitute are a source of sustainable competitive advantage (Penrose, 2019), and therefore enhance performance. The Resource-Based View Theory suggests that performance is driven by the resource profile of the firm, whereas the source of superior performance is embedded in the possession and deployment of distinctive resources that are difficult to imitate (Wernerfelt, 2019).

Resource-Based View Theory posits that firms achieve sustainable competitive advantage if they possess certain key resources and if they effectively deploy these resources in their chosen markets (Barney, 2021). O'cass et al. (2021) argue that a company's specific characteristics are capable of producing core resources that are difficult to imitate and which determine the performance variation among competitors. The Resource-Based View Theory further says that the fundamental sources and drivers of a firm's competitive advantage and superior performance are mainly associated with the attributes of their resources and capabilities, which are rare, valuable, difficult to imitate and not substitutable. The Resource-Based View (RBV) Theory postulates that a firm's performance depends on its specific resources and capabilities (Fotopoulos, Kafetzopoulos & Psomas, 2019).

However, the criticisms of RBV theory have been extensively cited. According to Dyer & Singh (2018), RBV theory as repetitious, in that diverse resource configurations can be used to create the similar value for firms, therefore this would not be competitive advantage. Another critic to the theory is that the role of product markets is under developed in the argument, the failure of considering factors surrounding resources; that critical investigation of how key capabilities are acquired in firm is need. The resources which are the elementary unit of analysis for resource-based theory can be well defined as assets that are semi permanently secured in an organization. They are financial, human, physical, commercial and technological, assets used by firms to develop, produce, and supply products and services to its customers. The theory is relevant to the study in explaining the importance of unique resources of an organization such as strategic information system that are not imitable. The IS strategies are helpful to organization in that they to reduce overall costs, enhances greater accuracy when performing operations, it ensures production of high-quality products and services, it accelerates communication and data sharing,



it also improves performance and productivity, and make management more efficient and effective (Rowley, 2022).

### **Literature Gap**

There are knowledge gaps that this study intended to fill, for instance a case study by Sharma et al. (2019) in India to establish the various issues related with SEEP implementation in a semi-automated cell in an Indian manufacturing firm revealed that implementation of SEEP leads to an increase in efficiency and effectiveness of manufacturing systems. The study was conducted in India while this study was conducted in Abuja, Nigeria; this will be a geographical knowledge gap that this study intended to fill.

In Brazil, Bartz et al. (2021) carried a study on the implementation of a maintenance management model based on (SEEP in a production line of a metallurgical company. The study was conducted in Brazil and only on maintenance management model based on SEEP in a production line in metallurgical company while this study was conducted to establish the effect of strategic employee empowerment practices on performance of manufacturing firms in Nigeria; this elicited both the geographical and contextual knowledge gaps that this study intended to fill.

There are also conceptual knowledge gaps in the previous studies which focused on different; Induswe (2018) study focused on success factors and benefits of SEEP implementation in large manufacturing firms while this study intends to focus mainly on the establishing the effect of strategic employee empowerment practices on performance of manufacturing firms in Nigeria. This was a conceptual knowledge gaps that this study seeks to fill.

### **CONCLUSION**

Empowerment helps to achieve certain culture and an environment in organizations by increasing organizational effectiveness through developing and deploying competent influence in the human resource. It denotes the enhanced involvement of employees in the organizational processes and decision -making. All visions and strategies in the organizations need able and empowered personnel. Unfortunately, empowerment is rarely used in the



organizations and is less common than other management efforts like teamwork, quality management or inventory control.

## RECOMMENDATIONS

Based on the findings of this study and the conclusions drawn there- from, the following recommendations were made

- i. Organizations should send their employees on training in order to reduce their skill deficiency and improve productivity at a profit
- ii. Manufacturing organisations should pay salary to their employees as and at when due so as to motivate them to put their best in the execution of their tasks
- iii. Organizations should always make their employees part of their decision making team, because that will make them to have sense of belonging, as they remember that they are part of the team that made the decision, they become more committed to their job

## REFERENCE

- Ahuja, I. P. S. & Khamba, J. S. (2018). Strategies and Success Factors for Overcoming Challenges in TPM Implementation in Indian Manufacturing Industry. *Journal of Quality in Maintenance Engineering*, 2(8), 123-147.
- Ahuja, I. P. S. and Khamba, J. S. (2018). Assessment of contributions of successful TPM initiatives towards competitive manufacturing. *Journal of Quality in Maintenance Engineering*, 14(4), 356-374.
- Ahuja, I. P. S., & Khamba, J. S. (2018). Total Productivity Maintenance: literature review and directions. *International Journal of Quality & Reliability Management*, 25(7), 709–756.
- Ahuja, I. P. S., Khamba, J. S. and Choudhary, R. (2019). Improved organizational behaviour through strategic Total Productivity Maintenance implementation. International Mechanical Engineering Congress and Exposition (IMECE), 1-8.
- Almanei, U., Salonitis, S. & Xu, G. (2021). Lean implementation frameworks: the challenges for SMEs. ScienceDirect, 2212-8271.
- Bhadury, B. (2020). Management of productivity through Total Productivity Maintenance. *Productivity*, 41(2), 240-251.
- Combs, J. G., Crook, T. R., & Shook, C. L. (2021). The Dimensionality of Organizational Performance and its Implications for Strategic Management Research. *Research Methodology and Strategic Management*, 1 (3) 259-262.
- Eti, M.C., Ogaji, S.O.T., & Robert, S.D., (2019). Implementing total productive maintenance in Nigerian manufacturing industries, *Applied Energy*, 79, 385-401.
- Fullertona, R., Kennedy, D, & Widener, S., (2020) Lean manufacturing and firm performance: The incremental contribution of lean management accounting practices'. *Journal of Operations Management*. 32(1).414 - 428.
- Ireland, F. & Dale, B.G. (2019), "A Study of Total Productive Maintenance Implementation", *Journal of Quality in Maintenance Engineering*, 7 (3), 183-191
- Leonard, D. (2019), "Quality Management Practices in the US Homebuilding Industry". *The TQM Journal*, 22 (1), 101-110.
- Nzewi, H.N, Chiekezie, O.M and Augustine Ebuka Arachie, A.E (2019). Total Productivity management and performance of selected aluminium manufacturing Companies in Anambra State. *Journal of Business and Management*, 18 (1) 67-73

- Psomas, E.L. & Fotopoulos, C.V. (2019), "A Meta-Analysis of ISO 9001:2020 Research – Findings and Future Research Proposals", *International Journal of Quality and Service Sciences*, 1(2), 128-144.
- Richard, P.A. (2019): Measuring Organizational Performance: Towards Methodological Best Practice. *Journal of Management*. 13:65-72
- Sharma, M. & Kodali, R. (2018), "TQM Implementation Elements for Manufacturing Excellence". *The TQM Magazine*, 20 (6), 599 -621
- Sharma, S., and Sharma, V. (2019), "Employee Engagement to Enhance Productivity in Current Scenario" *International Journal of Commerce, Business and Management*, 3(4).
- Sivaram, N.M. (2021). A literature review on Total Productive Maintenance. *international Journal of Chemical Tech Research*. .10(13),138-144
- Sreekumar, M., Chhabra, M. and Yadav, R. (2018), "Productivity in Manufacturing Industries" *International Journal of Innovative Science and Research Technology*, Tsang, A H C, Chan, P.K. (2020). TPM Implementation in China: A case Study: *International Journal of Quality & Reliability Mgt*, 17(2), 144-157.
- Sweeney, N. (2021). Organizational Behavior: Solution for Management. *Journal of International Studies*. 5(1).
- Tsarouhas, P. (2019). Overall equipment effectiveness (OEE) evaluation for an automated ice cream production line. 17 – 39. (3)10.
- Vigneshwaran S., Maran, M, & Manikandan, G (2018). Impact of TPM Implementation: Literature Review and Direction. *International Journal of Innovative Science, Engineering & Technology*, 2 (12) 3-28
- Vollmann T.E., Berry W.L., Whybark D.C. & Jacobs F.R. (2018). Manufacturing planning and control for supply chain management. 5th Ed. New York, McGraw- Hill/Irwin
- Wang, F.K. (2019), "Evaluating the Efficiency of Implementing Total Productive Maintenance". *Total Quality Management*, 17(5), 655-67.
- Warren, W. (2020). Preventive Maintenance: Benefits and Cost. *Total Maintenance Management Article*, 26(2), 14 – 21.
- Whitehead, L., Palamara, P., Babatunde-Sowole, O. O., Boak, J., Franklin, N., Quinn, R., ... & Allen, J. (2023). Nurses' experience of managing adults living with multimorbidity: A qualitative study. *Journal of Advanced Nursing*. Advance Online Publication. <https://doi.org/10.1111/jan.15600>

- Wickramasinghe, G.L.D & Asanka P. (2019). Effect of total productive maintenance practices on manufacturing performance: Investigation of textile and apparel manufacturing firms. *Journal of Manufacturing Technology Management* 27(5):713-729
- Womack, J. P. and Jones, D. T. (2018). Lean thinking Banish waste and create wealth in your corporation. 50 – 73.
- Wright, A. (2019). Reward Management in Context” academics/469111319/lean principles.pdf