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JOB CHARACTERISTICS AND ORGANIZATIONAL EFFECTIVENESS: AN EMPIRICAL ANALYSIS ON INSURANCE FIRMS IN RIVERS STATE, NIGERIA

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Abstract

This study examined job characteristics and organizational effectiveness in insurance firms in Rivers State, Nigeria. This study comprises two measures of job characteristics such as feedback, skill variety, as well as two predictors of organizational effectiveness like productivity and adaptability respectively. The researcher adopted descriptive survey research design. Population of the study covered 168 selected employees from five insurance firms in Rivers State. Purposive sampling method was applied for the purpose of minimizing research errors. The primary data was collected from structured questionnaire while the secondary data was information received from human resource data of various selected insurance firms. The sample size for the study was 114 discovered by Taro Yamane's formula. Spearman correlation coefficient was used to test the hypotheses. The findings of the study specified that there was a positive significant relationship between feedback and productivity in insurance firms, including the relationship between skill variety and adaptability was statistically significant. It was concluded that job characteristics predicted organizational effectiveness. The researcher recommended that management of insurance firms should encourage their workers to develop different skills that could meet the needs of changing environment and boost the firm's effectiveness.

Keywords: Job characteristics, feedback, skill variety, adaptability, organizational effectiveness

Introduction

Organizations are goal directed and regularly in search for best practices to enhance their effectiveness in the industry. Although, the effectiveness of organization is perilous and germane in ensuring that the company is able to achieve its goals and remain resilient in an ever-changing business environment. The business environment is highly characterized by uncertainties and unpredicted changes, which only organizations that are effective may be able to survive the critical nature of the environment. The coordination of structures, resources, and skill varieties of employees are established to achieve organizational effectiveness. Georgopoulos and Tannenbaum (2016) considered organizational effectiveness as the degree to which a firm as a social entity, achieves its goals with certain means and resources without making the workers less busy or draining its resources. Oghojafor et al.

(2012) upheld that effectiveness is the ultimate and measure of organizational and managerial performance. organizations are bound to fail when the operations or business is ineffectiveness. An effective organization does not compromise with low productivity and customers dissatisfaction but helps to sustain the continuity of a firm even in a highly low demand environment. McCann (2004) contended that organizational effectiveness is the successful fulfillment of the organizational goals through core strategies. Moreover, organizational effectiveness symbolizes the accomplishment of the firm mission, vision, objectives and utilization of the firm's expertise. Organizational effectiveness is essential hence it helps enhance market share, profitability, and boost the competitiveness in the industry even in a hostile environment (Balduck & Buelens, 2008). Correspondingly, Martz (2008) identified productivity, adaptability, innovation, and quality output as the measures of organizational effectiveness. It is important to mention that achieving and sustaining the effectiveness of a firm do not totally depend on the sophisticated equipment or facilities of the company, but could be influence by the characteristics of the job. Therefore, job characteristics entails the process that determines how work in the organization is completed, it also shows the range and nature of tasks related with a particular job (Agarwal & Gupta, 2018).

Job characteristics determine the appropriateness of a staff with a particular field of work (Fried & Ferris, 1986). Job characteristics relates to the degree to which jobs are designed so that the internal work of employees could be motivated and result in job satisfaction or productivity of the organization. Hackman and Oldham (1980) promulgated the concept of job characteristics in an attempt to enhance the performance and effectiveness of employees. The deployment of highly engaged and productive employee is expected to drive an admirable job characteristics system to be a firm basis for performance. Armstrong (2012) narrated that the engagement of workers requires the design of jobs founded on their characteristics or traits in a way that may trigger staff motivation. Availability of commendable job characteristics allow employees to have the opportunity to use different skills, talents, to perform tasks, associate or identify themselves closely with the task completed, feel empowered, exercise autonomy obtained from the job, and get adequate feedback from the job (Azash et al., 2012). When insurance firms have effective job characteristics, it improves work autonomy, staff motivation, job enthusiasm, satisfaction to work, and productivity in the organization. However, the empirical study on the relationship between job characteristics and organizational effectiveness has received low attention in Nigeria. This informed the researcher to examine job characteristics and organizational effectiveness in insurance firms in Rivers State, Nigeria.

Research Hypotheses

H_0:1 There is no significant relationship between feedback and productivity in insurance firms in Rivers State, Nigeria.

H_0:2 There is no significant relationship between skill variety and adaptability in insurance firms in Rivers State, Nigeria.

Literature Review

Job Characteristics

Apisit (2013) described job characteristics as the behavioral approach that increases the reputation of jobs by designing the job in a manner that its suitability and appropriateness could be measurable. Job characteristics emphasis on the relationship between work and the employee which relate with certain aspects of a job that could be altered to create higher job satisfaction (Miller, 2006). Job characteristics are all factors of the job directly associated with employee attitudes and behaviors at work (Hackman & Oldham, 1971). Additionally, Fried & Ferris (1987) considered job characteristics as the extent to which a job is structured to provide frequent feedback together with a feeling of task accomplishment, to enable employees monitor their own behaviour and gain an increased sense of personal control. The personal control illustrates how a worker could influence a change in desired direction. Job characteristics is a set of environmental variables that describe the entire attribute of workers, identify the essential nature of the job, work environment, and relationship with colleagues. Job characteristics do not only influence the employees' feelings but also their behavioral and job outcomes such as turnover intention, job satisfaction, and organizational commitment (Daft, 1983). Job characteristics are known to be job traits which help employees to learn how to perform the job accurately and maximize their skills. Moreover, job characteristics enables workers to complete their task magnificently. Abdul (2017) stated that job characteristics influence employee well-being by satisfying the needs for competence, autonomy, employees' growth and development.

The support from co-workers and feedback from supervisors may eventually increase the individual's possibility of achieving work goals, and employees' triumph in their daily tasks. Ordinarily, job characteristics are the various attributes of jobs or task inherent feature which increase the feeling of accountability and motivation of employees to function effectively (Saavedra & Kwun, 2000) Many scholars have contended that the simple way to increase employee performance and personal outcomes is by enriching the job (Samad, 2006; Hussein, 2020). Job characteristics are correlated with work environment which reflect structural aspects of the job and effectiveness of the firm (Spector, 1997). Furthermore, Hackman and Oldham (1975) develop the theory that the job itself should be designed to possess fundamental characteristics essential in boosting job effectiveness. Hackman and Lawler (1971) emphasized that measures of job characteristics, such as skill variety, task identity, autonomy, and feedback motivated employees in their job performance. Correspondingly, job characteristics theory was built upon the premise that specific core job characteristics must exist in work settings in order to create job outcomes of high job satisfaction, high job performance, and low turnover.

Feedback

Feedback refers to the degree to which an employee is expected to perform his duty properly and provide clear information about the effectiveness of his performance (Hackman & Oldham, 1975). Similarly, feedback is a systematic method of making the performance of an employee known to the staff (Hackman & Oldham, 1980). Feedback is the crucial element that creates knowledge of outcome of task or job carried out (Johari et al., 2015). Feedback is the response from employees disclosing their unit or personal efforts towards the achievement of high productivity. Feedback is intrinsically motivating because it helps employees to understand the effectiveness of their performance and contributes to their overall knowledge about the work (Johari et al., 2015). Feedback is conceptualized as information provided by co-workers, an agent, management, teacher, peer, book, and parents regarding aspects of one's performance or understanding. However, employees may not perform excellently if he does not have idea of his previous performance. Robbins and Coulter (2009) maintained that feedback encourages dialogue, clarifies good performance, influences employee behaviours, psychological job outcomes, and productivity.

Skill Variety

Skill variety symbolizes the degree to which a job requires a variety of different activities in carrying out the work, with different skills and talents of the employees for successful completion. (Hackman & Oldham, 1980). Skill variety signifies different activities which require high multiplicity of skills and talent of employee to perform a given task so as to enhance the fortune of the entire organization (Hackman & Oldham, 1980). For example, low skill variety exists when a painter paints a building and the paints drop on the floor while painting. A low skill variety arises when an insurance worker delays in service delivering or gets only two clients within five months. Routine work environments are compared with other job environments that are made of a variety of tasks with many different skills and abilities. Employee with high skill variety occurs when a manager is able to write minutes of meetings, mentor subordinates, minimizes turnover intention, performs figurehead function, and renders managerial advice to the company. Whenever more skills are involved in a particular job, the more meaningful is the job for workers to adapt to the changing environment (Agarwal & Gupta, 2018). Thus, skill variety could be enhanced in several ways through job rotation, enrichment, and enlargement.

Organizational Effectiveness

Effectiveness signifies a goal which all firms wish to achieve in all their operations in order to survive any unforeseen changes in the environment. Yuchtman and Seashore (1967) claimed that organizational effectiveness connotes the ability of the organization to exploit its environment in the acquisition of scarce and valued resources. Every organizational structure has a vital role in determining the effectiveness of a firm. It is imperative for human resources managers or management of insurance firms to be conversant with the concepts of the effectiveness. Daft (1983) insisted that organizational effectiveness is the degree to which an organization achieved its goals. Consequently, organizational effectiveness entails identifiable structures which employees utilized to achieve high job performance, profitability, and efficiency. The effectiveness of employee is possible when the workers attitudes are transformed from a lesser level to a higher stage of stability (Shiva & Suar, 2010). In a simple term, Mojahed (2005) conceived organizational effectiveness as the extent to which an organization produces the planned output. It is necessary for insurance firms and related organizations to have better adaptability, leadership, communication, and positive work environment (Balduck & Buelens, 2008). An effective organization may be evaluated by using four components which are resource acquisitions, productivity, adaptability, and customer satisfaction (Kushner & Poole, 1996). Training and development of workers in various sectors could lead to general effectiveness and profitability of any company.

Productivity

Productivity is a ratio to measure how well an organization translates input resources such as labor, materials, machines, into output which could be either goods or services (Yadav & Marwah, 2015). Indeed, Yamamoto and Matsuura (2012) affirmed that productivity is efficiency in production which determines how much output is obtained from a given set of inputs. Productivity is the management of resources to accomplish goals as stated in terms of time management, quantity, and quality. Productivity is useful as a relative measure of actual output of production compared to the actual input of resources, measured across time or against common entities (Yadav & Marwah, 2015). Productivity denotes the capability of using resources acquired naturally to produce goods and services within the economy (Bleischwitz, 2010). Besides, productivity represents the volume of output which is achieved in a given period which requires the interaction of direct and indirect effort expended in its production (Robbins & Coulter, 2009). Productivity is appropriately used at the industrial stages to determine the economy's health, areas of planning, inclinations, cost control, and growth rate, (Mojahed, 2005).

Adaptability

Adaptability denotes the individual's ability, skill, disposition, willingness, to change or fit different tasks, social, and environmental features (Pulakos et al., 2000). In complementing this presumption, Cameron (1984) clarified adaptability as a procedure, where by changes are built in organizations. Miller (2006) suggested that adaptation is said to have occurred when an organization changes its strategy, structure, or some other core attribute to fit some new environmental contingency. Adaptability symbolizes a behavioural adjustment made by one company, at the individual, group or corporate level, to meet the specific needs of the organization (Robbins & Coulter, 2009). Ordinarily, adaptability connotes a functional change that responds to actual or correctly projected amendments in environmental contingencies. Career adaptability is the readiness to handle the predictable tasks or participating in the work role and with the random adjustments prompted by changes in the work and working conditions (Savickas, 1997). Correspondingly, Robbins et al. (2003) noted that organizational adaptability is the ability to move quickly toward new opportunities, to adjust to volatile markets, and to avoid anxiety. Employees who adapt to changes in environment are likely to learn, implement new ideas and contribute to improvement of organizational effectiveness. Adaptability encourages retention, promote motivation, enhances dialogue among workers and minimizes turnover intention (Savickas, 1997).

Methodology

The researcher adopted descriptive survey research design to promote business decisions and provide systematic approach to analyze data. Population of the study covered 168 selected employees from five insurance firms in Rivers State, Nigeria. Selected employees who were available for the empirical inquiry include managers and graduate staff from carefully chosen insurance firms. Purposive sampling method was applied for the purpose of minimizing research errors. The primary data was collected from structured questionnaire while the secondary data was information received from human resource data of various selected insurance firms. The sample size for the study was 114 discovered by Taro Yamane's formula. Copies of questionnaire were distributed to collect data useful in answering research questions. The questionnaire was structured on job characteristics and organizational effectiveness (Mugenda & Mugends, 2003). It was also divided into three sections like section A, B, and C, where A represents participants profile, B focused on independent variable, and C deals on dependent variable. These questions were stated in an ordinal scale using the 5-point Likert's scale of 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree), and 5 (strongly agree). Statistical instrument used for this study was Spearman correlation coefficient to measure the relationship between the variables. The reliability of the research instrument was demonstrated in Cronbach's Alpha where if the result is above 0.70, it shows that the research instrument used for this study was reliable. The research instrument was validated by experts in management. The information offered by the participants were voluntarily and confidential. This study comprises two measures of job characteristics such as feedback, skill variety, as well as two predictors of organizational effectiveness like productivity and adaptability respectively.

Table 1 ***Population Distribution***

S/No	Names of Insurance Firms	Population
1.	Allianz Insurance	36
2.	Ark Insurance Brokers	30
3.	Cornerstone Insurance Plc	35
4.	Great Nigeria Insurance Plc.	34
5.	Guinea Insurance Plc	33
	Total	**168**

Source: Human Resource Data, 2024.

Results and Discussion

Test of Hypothesis One

Ho_1: There is no significant relationship between feedback and productivity in insurance firms in Rivers State, Nigeria.

HA_1: There is significant relationship between feedback and productivity in insurance firms in Rivers State, Nigeria.

Table 2 ***Spearman Correlation Coefficient between Feedback and Productivity***

Correlations

			Feedback	Productivity
Spearman's rho	Feedback	Correlation Coefficient	1.000	.945**
		Sig. (2-tailed)	.	.000
		N	114	114
	Productivity	Correlation Coefficient	.945**	1.000
		Sig. (2-tailed)	.000	.
		N	114	114

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

The results in Table 2 proved the significant positive relationship between feedback and productivity in insurance firms in Rivers State, Nigeria. This advocated that the relationship was statistically significant. The r- value was 0.945 and p – value 0.000 which specified that feedback has positive significant relationship with productivity. Where p – value = 0.000 < 0.005, the null hypothesis was rejected while alternative hypothesis was accepted. The positive significance r- value of 0.945 revealed that 94.5% increase in firm feedback may result in high productivity of the organization.

Test of Hypothesis Two

Ho2: There is no significant relationship between skill variety and adaptability in insurance firms in Rivers State, Nigeria.

HA2: There is significant relationship between skill variety and adaptability in insurance firms in Rivers State, Nigeria.

Table 3 ***Spearman Correlation Coefficient between Skill Variety and Adaptability***

Correlations

			Skill variety	Adaptability
Spearman's rho	Skill variety	Correlation Coefficient	1.000	.983**
		Sig. (2-tailed)	.	.000
		N	114	114
	Adaptability	Correlation Coefficient	.983**	1.000
		Sig. (2-tailed)	.000	.
		N	114	114

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

The results in Table 3 indicates that there is positive significant relationship between skill variety and adaptability in insurance firms in Rivers State, Nigeria. This showed that r- value was 0.983 and p – value 0.000 which revealed that skill variety is meaningfully connected to adaptability of the insurance firms. Where p – value = 0.000 < 0.005, the null hypothesis was rejected while alternative hypothesis was accepted. The positive significance r- value of 0.983 displayed that 98.3% rise in skill variety could lead to more adaptability by insurance firms.

Discussion of Findings

The findings in hypothesis one shows that there is a positive significant relationship between feedback and productivity in insurance firms in Rivers State, Nigeria. This result reveals that employees get regular updates from the job to meet the demands of customers. The finding is in accordance with Johari et al., (2015), who stated that feedback is intrinsically motivating because it helps employees to understand the effectiveness of their performance and contributes to their overall knowledge about the work. The second hypothesis demonstrates that there is positive significant relationship between skill variety and adaptability in insurance firms in Rivers State, Nigeria. This finding shows that when firms utilize employee talents, ability, and skills, it helps to exploit the opportunities in the environment. This finding is in agreement with Agarwal and Gupta (2018) who emphasize that whenever more skills are involved in a particular job, the more meaningful is the job for workers to adapt to the changing environment. Similarly, the results also concur to Hackman and Oldham (1980), who disclose that skill variety involves different activities which require high multiplicity of skills and talent of employee to perform a given task so as to enhance the fortune of the entire organization.

Conclusion

The result of the analysis revealed that feedback is important for organization that want to enhance productivity and effectiveness. An increase in feedback of the employees may subsequently result in higher level of effectiveness. This indicated that feedback has significant positive relationship with productivity. This study also revealed that skill variety is positively connected to adaptability in insurance firms. It was discovered that effective use of job characteristics influences organizational effectiveness. Furthermore, the researcher recommended that:

i. Insurance firms should ensure that their employees get appropriate and sufficient feedback on tasks performed, in order to increase the knowledge of their performance and productivity.

ii. Management of insurance firms should encourage their workers to develop different skills that could meet the needs of changing environment and boost the firm’s effectiveness.

iii. Management of insurance firms should design the employee job to be meaningful so as to attract job satisfaction and effectiveness of the firms.

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