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PERCEIVED TEAM EFFECTIVENESS AND STRATEGIC MANAGEMENT AS PREDICTORS OF ORGANISATIONAL PERFORMANCE AMONG BANK EMPLOYEES IN LAGOS, NIGERIA

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Abstract

Team effectiveness and strategic planning has been individually researched on organisational performance but combining the two together is rare, especially in the banking industry in Nigeria. The present study attempted to fill his gap. Using a cross-sectional survey design with team effectiveness and strategic planning as independent variables, the researchers administered questionnaire , containing team effectiveness scale, strategic planning scale and organisational performance scale, to a randomly selected participants among some banks employees in south west Nigeria, who were willing to participated and actually participated in the study. A total of 113 participants were actually used. Regression analysis revealed that team effectiveness is significantly and positively related to organizational performance. Strategic management was found to significantly predict organizational performance. Findings revealed the importance of team effectiveness and strategic management to organizational success, especially within the banking industry. It was recommended that managers and stakeholders regularly assessed teams and provide necessary support to ensure optimal performance. Findings were discussed using relevant literature and empirical findings.

Keywords: *team; effectiveness; organizational performances; strategic management; banking industry*

Introduction

Team effectiveness has been identified as a vital component for organizational success (Reis & Puente-Palacios, 2019), as it enhances problem-solving and productivity within organizations. Orji et al. (2022) found strategic management important to performance of Nigerian bankers. In addition, strategic management is linked with organizational performance and how team members collaborate. According to Jiang and Cheng (2012), organizations that thrive must have functional teams with the ability to tackle problems as they arise. Effective teams and strategic management are regarded as strong competitive edge for organizations in the banking industry (Olowe et al., 2020). Performance has been a longstanding concern in the banking industry, causing management teams to consistently adjust operational and structural

practices (Verma et al., 2017). The Global Banking Outlook Survey (2018) identified challenges in the path to organizational performance such as weak board and management oversight, insider-related nonperforming facilities, declining asset quality, and a lack of strategic planning.

Adeyemi et al. (2017) asserted that poor awareness of strategic management can derail the progress of organizations. One reason strategic management is considered critical to business success is its enhancement of organizational decision-making. According to Zia-ud-Din et al. (2017), strategic management is a multifaceted process that encompasses a comprehensive understanding of an organization's strategic position, a careful consideration of strategic options for the future, and an effective management of strategy in action. This entails a thorough examination and active management of an organization's corporate strategy, including modelling and analysis of the system's overall strategic position, strategic choices, and the execution of strategy both within and outside of the organization.

Determinants of team effectiveness have been identified across literature to include role clarity (Levie et al., 2016), transparency (Tierney, 2012), problem solving capacity (Belout & Gauvreau, 2004), and conflict resolution skills (Brière et al., 2015). This research will shed more light on the relationship between team effectiveness and organizational performance. It will also examine the role of strategic management in the productivity of bank employees. The focus on the banking industry provides room for examining these concepts within a vibrant industry with impact on different aspects of society.

Statement of problem

Despite the abundance of research on the topic, the impact of team effectiveness and strategic management individually on organizational performance is still unclear. In addition, combining the two together to see their interactive effect on organisational performance is rare, especially in the banking organisations. It is not clear how these two factors interact to impact organizational performance, especially in today's business environments. There seems to be lack of knowledge or understanding on the mechanisms/dynamic of team effectiveness working singularly on organisational performance and/or in conjunction with strategic management with its various dimensions. Specifically, clearer understanding of how managers in the banking system engineer teams to be effective and the strategies they employ is needed.

Another problem is the multitude of measures for the constructs used in this study. This makes it difficult for researchers and managers to understand how these variables impact performance in their organizations. One of the goals of this study is to enable a framework for measurement and practice of team effectiveness and strategic management in organizations, with a particular focus on the banking system and using perception of the variables as an alternative measuring strategy.

This study contributes to the literature on organizational performance by providing new insights into the relationship between team effectiveness and strategic management. The study also offers practical implications for managers who want to enhance their team's effectiveness and implement effective strategies. Also, the conceptual framework drawn as part of the research integrates team effectiveness and strategic management as key factors in organizational performance.

Literature Review

Relationship Between Team effectiveness and organizational performance

Berber et al., (2020) found that teamwork leads to greater individual, group, and even organizational performance in almost every area of business. 401 employees in the banking sector in Serbia aged 36-45 years old were involved in this research. They measured perceived teamwork effectiveness using a scale that assessed six dimensions: team synergy, performance objectives, skills, use of resources, innovation, and quality.

Team effectiveness has been linked to impact organizational performance across different industries. In a study by Reis & Puente-Palacios (2019), team identity significantly impacted organizational capacity. This finding is consistent with Salas et al. (2015) who found teamwork as one of the critical factors in the level of performance among organizations. One of the reasons for this impact is the mediating role of job satisfaction. Functional and effective teams increase the level of satisfaction individuals derive from their jobs (Siqueira and Gomide, 2014).

Adu and Opawole (2019) found that teamwork components such as interpersonal dynamics, ability to communicate openly with team members, and leadership were crucial to the successful delivery of projects by Nigerian construction companies. In a similar study, Anekwe

(2021) examined impact of teamwork on performance of commercial banks. Findings revealed that team innovative behaviour has a significant positive effect on quality service delivery. 132 employees of commercial banks in Anambra State, Nigeria were surveyed in this research. Performance was measured as quality service delivery while team innovative behaviour was assessed.

Team effectiveness has been shown to serve as a mediator between organizational performance and other variables. Teamwork was a significant mediator of the relationship between strategic orientation and organizational performance in a study by Otache (2019). Data obtained from 253 bank managers of 20 commercial banks in Nigeria revealed that high level of teamwork correlates with high organizational performance, and in the absence of teamwork productivity plunges.

H1: There is significant positive relationship between team effectiveness and organizational performance.

Relationship Between Strategic management and Organizational performance

Results from Meresa (2019) showed that strategic management practices have direct positive relationship with corporate performance. The researchers examined the effect of strategic management practices on institutional performance through survey and interview of 128 employees of credit and saving institutions. Participants were selected through stratified sampling of a population of 346. Analysis showed that strategic management had positive impact on organizational performance but managers struggled with converting strategy into goals.

In a study on employee performance by Zia-ud-Din et al. (2017), strategic leadership was linked with employee performance. The researchers explained this finding as a consequence of the relationship which strategic management builds between leaders in organizations and employees.

Strategic human resource management had significant positive relationship with performance (measured as service quality) in a study by Orji et al. (2022). 77 commercial bank employees were administered structured questionnaire which measured aspects of strategic human resource management (extensive training, empowerment and performance based pay and service quality) and service quality.

Rahman (2019) also found that strategic planning enhanced strategic performance of banks in Bahrain. Strategic planning was conceptualised as formulation, scanning, implementation and evaluation while performance was assessed in four dimensions: financial, customer, internal business process, and learning and growth. Data was obtained through structured questionnaire administered to bank employees. Findings showed that strategic planning significantly influenced business processes. Also, strategic planning was shown to impact on aspects of performance including financial, customer, growth, and learning.

In a similar study by Shaham and Radfar (2022), strategy had a positive and significant effect on the organizational performance of the banking system. 223 bank employees were administered scales developed by Hao and Song (2015) and Miller (1996) to measure strategy and organizational performance respectively. Findings showed that different strategic style (market-based and technology-based) positively influenced organizational performance.

Tang et al. (2022) found strategic attributes were significantly and positively related to and enhance organizational performance if the banks focused on strategic positioning. 260 faculty members and bank managers in Pakistan were involved in this study. Aspects of strategic attributes assessed in this study include strategic orientation, market orientation, and organizational culture. Questionnaire data were analysed and revealed that strategic attributes were significantly and positively related to organizational performance.

H2: There will be significant positive relationship between perception of tax fairness and tax compliance.

Conceptual Framework

Organizational performance is a function of interaction between the firm and its members. In this regard, the resource-based view (2015), which proposes that organizations perform to the extent of their resources serves as a foundational framework. Capabilities of employees and the resources which the organization can provide are exchanges in the quest for achieving organizational objectives.

In this study, team effectiveness comprises of skills, talent, and other capabilities which employees can render. Strategic management is a leadership function which falls under the ambit of organizational resources. These factors influence organizational performance as portrayed in the framework below.

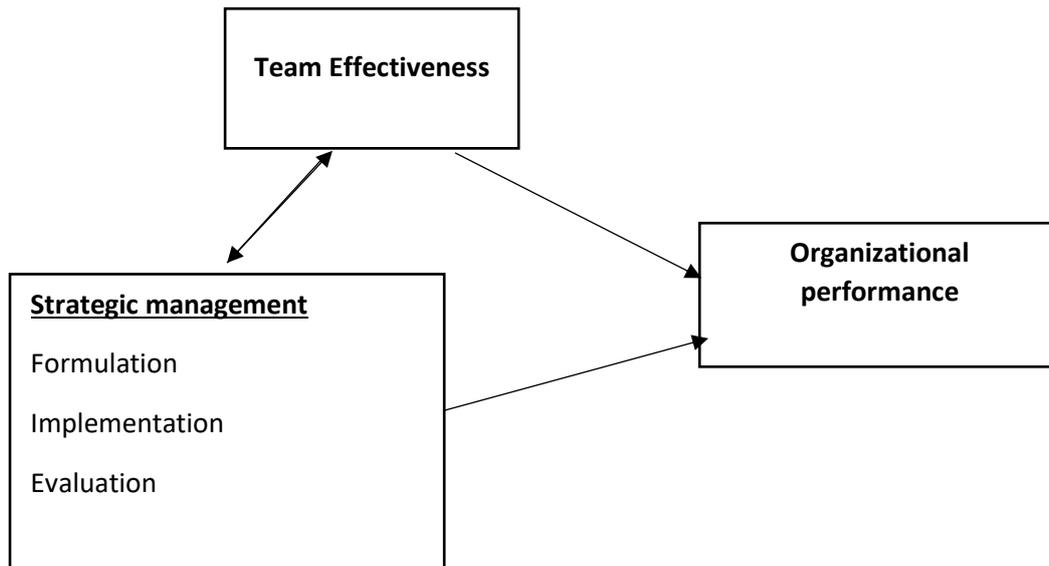


Figure 1: Conceptual framework

METHOD

Study design

This study used a cross-sectional survey research design, adopting expo-facto approach to investigate the relationship between strategic management, team effectiveness, and organizational performance. This involved collecting data from single point at a time, The independent variables are team effectiveness and strategic management, while the dependent variable was organisational performance.

Participants

Participants comprised 113 employees selected from 7 different banks in Lagos, Southwest Nigeria. Using convenience sampling, respondents were drawn from different cadres of the banks to get a representative sample. The age ranged from 21 years to 43 years.

Instruments

Data was collected using a self-administered survey questionnaire. The questionnaire consists of three main sections. The first section measured the participants' demographic information, such as gender, age, education level, and work experience. The second section measure strategic management and team effectiveness using established scales. The final section measured organizational performance.

Team Effectiveness

Northouse (1997) Team Effectiveness Scale was used to assess team effectiveness. The instrument comprises 10 items which evaluates team and leadership function on a four-point Likert scale ranging from False (1) to True (4). Sample item include “*Team members possess the essential skills and abilities to accomplish the team's objectives*”. High total score indicates team effectiveness while low score implies the team is ineffective.

Strategic Management

Strategic Planning Scale by Rahman (2019) was used to measure strategic management. The scale comprises 16 items which are categorised into four dimensions: environmental scanning, strategy formulation, strategy implementation, and strategy evaluation. Reliability analysis produced Cronbach’s Alpha of 0.92 for the scale implying high internal consistency. Responses are obtained on a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5). The scale is continuous and additive to get a composite score strategic management. The higher the score the more the perceived presence of strategic management.

Organizational Performance

Organizational Performance measure developed by Darroch (2003) was used to measure organizational performance in this study. This instrument comprises 7 items which measure organizational performance along two dimensions (comparative and internal performance). Items are scored on a 5-item Likert spectrum ranging from Strongly Disagree (1) to Strongly Agree (5). High scores indicate high organizational performance while low score imply poor organizational performance. The higher the score the higher the perceived organisational performance

Data Analysis

The collected data was analyzed using various statistical techniques, including descriptive statistics, correlation analysis, and regression analysis. The descriptive statistics was used to summarize the characteristics of the study participants, while correlation analysis was used to examine the relationship between strategic management, team effectiveness, and organizational performance. Finally, regression analysis was used to test the research hypotheses and determine the extent to which strategic management and team effectiveness predict organizational performance.

Ethical Considerations

Participants were informed about the purpose of the study and asked for their informed consent before completing the survey. Additionally, participants were given the option to withdraw from the study at any time without any penalty or negative consequences.

Results

Table 1: correlation matrix of team effectiveness, strategic management, and organizational performance

Variables	1	2	3
1. Organizational Performance	-	.43**	.20*
2. Team effectiveness	.43**	-	-.01
3. Strategic management	.20*	-.01	-

Note. ** $p < .01$

Table of correlation showed that team effectiveness was positively correlated with organizational performance ($r = .43, p < .05$). This shows that higher level of team effectiveness was linked to higher level of organizational performance. Strategic management was also positively correlated with organizational performance ($r = .20, p < .01$). This implies that when the level of strategic management deployed was effective, there was higher level of performance in the organization.

Table 2: Hierarchical regression predicting organizational performance by team effectiveness and strategic management

	Model 1			Model 2		
	B	β	t	B	β	t
1. Team effectiveness	.23	.20	2.07	.17	.13	2.07
2. Strategic management				.19	.14	3.92
<i>R</i> ²		.19			.25	
ΔR^2		.03			.06	
<i>F</i>		4.34			7.84	
ΔF		.00			.35	

Independent variable: tax compliance

From the table of hierarchical multiple regression above, team effectiveness significantly predicted organizational performance ($\beta = .79, p < .01$). Team effectiveness explained 19% of variance in organizational performance scores ($R^2 = .19$). This implies that team effectiveness influences organizational performance positively such that when it is high among employees,

they are likely to be more productive and when it is low performance is also low. In the second model, strategic management was added and found to be a predictor of organizational performance ($\beta = .19, p < .05$). Strategic management explained 6% of variance in organizational performance scores ($R^2 = .06$). Thus, strategic management was proven to be a significant contributor to the level of performance within organizations involved in the study such that at high level it leads to effective performance and at low levels it tends to low performance.

DISCUSSION

Findings revealed that team effectiveness was significantly and positively related to organizational performance. Consistent with findings by Anekwe (2021) and Salas et al. (2015), this implies that team effectiveness increases the chances of organizational success. Explanations for this finding include the role of team effectiveness as a mediator of job satisfaction. In effective teams, members are more likely to enjoy their jobs and produce at optimal level. In addition, team effectiveness can be linked to higher capacity for problem solving. Some of the components of team effectiveness reviewed in this study indicates high level of skill among effective teams. In other words, when team effectiveness is higher there is usually a corresponding ability to tackle work-related problems among members.

Furthermore, team effectiveness implies synergy among members. High level of team effectiveness shows that there are processes in place to delegate roles and issues. Berber et al. (2020) also found similar findings as this study and observed the role of teamwork quality. Effectiveness teams have smoother processes in place. Given the uncertain nature of business, the ability to develop processes that meet the current needs of the task at hand can be key, leading to good performance. Teams that score low in effectiveness crumble under pressure due to lack of skills, absence of leadership, and low creativity. The qualities of effective teams contribute to sustained productivity even in difficult periods.

Findings showed that strategic management significantly predicted organizational performance. Meresa et al. (2019) and Tang et al. (2022) also made similar findings in their research. Strategic management practices are adaptable, helping organizations manage resources while providing value to customers. The banking industry is very competitive and organizations without strategic planning are likely to struggle to meet customer needs. In

Nigeria, the advent of fintech companies and other alternative solutions means traditional banks face increased pressure to retain customers and stay profitable. Strategic management facilitates skill development and retention as well as leadership training. These components are critical in modern business and can explain why strategic management was positively related with organizational performance in this study.

Strategic management helps organizations retain brand value since it aligns actions with organizational objectives. Planning, evaluation, and monitoring – the dimensions of strategic management measured in this study – ensures that organizations are aligned with goals and deploy resources to meet these. The absence of strategic management leads organizations to waste and rigid management. When exposed to threats, these organizations are likely to experience significant loss of revenue and market share. Technology-based strategic management has the capacity to help banks and similar organizations meet customer needs more effectively and cope with threats from competitors.

Conclusion

Teams that perform at elite levels are major factors behind the success of most organizations. In addition, a strategic approach to management ensures these teams that the training and support required to function at optimal levels. This study aimed at determining the level of team effectiveness within banks in Nigeria and how this impacts organizational performance. Findings showed that team effectiveness was a significant predictor of organizational performance. In addition, strategic management was found to be a significant predictor of organizational performance.

Banking organizations are encouraged to improve productivity within teams through regular assessment and incentives. Also, taking strategic approach towards setting of organizational objectives and allocation of resources can enhance the quality of outcomes. In conclusion, this study emphasizes the role of team effectiveness and strategic management in organizational performance as observed in different studies.

However, this conclusion in the present study should be taken with caution as we believe an objective measurement of variables considered should still be undertaken. Measurability is still the contentious issue in this kind of study. Perception could be subjective depending on the internal or external state of the bank employees, and therefore, lack validity in the appropriate

measure of the variables. We attempted to provide an alternative to the concern in the literature about measurability of Strategic Management and team effectiveness through the use of survey and came up with present result, but survey also has its own limitation and we are not unaware of this in the present study. A causality relationship should be a better approach, but this is the problem raised in the literature.

Limitations

Using Lagos alone as the setting, probably because headquarters of most banking organisations is here, may be a limiting factor. We are aware that geographic/location factors as well as cultural diversity may influence the way we perceive things. We know that these factors could cognitively affect the way events are translated into action by the participants we therefore suggest a more sophisticated and culturally relevant measuring instruments that would take care of these extraneous variables be used in future studies.

Again, how can individual contribution be measured separately against the organisational performance, and in what area? A knowledge of this would facilitate a better understanding of strategic management and Team effectiveness in that individual would see his/her own contribution and be motivated to do more or adjust appropriately to ensuring total organisational performance. In addition, such concern would be better utilise by experts in the area of the subject matter and educationally improve the contents/dynamics of team effectiveness and strategic management

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