

BUSINESS DOMAIN AND ORGANISATIONAL PRODUCTIVITY: AN ASSESSMENT OF THE MODERATING ROLE OF LEADERSHIP STYLE IN NIGERIA MANUFACTURING FIRMS

Dumo Nkesi Opara
Department Of Office and Information Management
Ignatius Ajuru University of Education, Rumuolumeni Port Harcourt

Email: dumopara@gmail.com

ABSTRACT

The study focused on business model and organisational productivity in manufacturing firms in Rivers State of Nigeria. The study reviewed literature on the concept of business domain, concept of organizational productivity and the moderating role of leadership style. Therefore, the study concluded that business process enhances organisational productivity and that leadership style adopted by the organization influences the impact of business domain on the productivity of the organization,. Thus, the researcher recommended that management should train employees on ICT in order to be more productive. More so, organizations should adopt a favourable business process with less stress in introducing and implementing needed transformation.

Keywords: Business Domain, Organisational Productivity, Leadership Style

INTRODUCTION

Organizational productivity has continued to be a major topical issue in the workplace. As the most value generating assets of organizations, employees' contribute their productive abilities and skills towards an organization's product or service portfolio and contribute more than three-quarter of the return on investment of the organization. To ensure that organizations get the desired level of productivity from its employees', various forms of organization-wide and personal productivity tools are instituted and applied. One of such productivity attainment tools is the digital transformation. Organizational productivity refers to the capacity of an organization, institution, or business to produce desired results with a minimum expenditure of energy, time, money, personnel, materiel, etc. A manufacturing firm's productivity is concerned with the quality and quantity of output or result the firm is able to achieve. Furthermore, productivity is the ability to compete translates into the ability to do a better job of producing quality and quantity of output. It is imperative for the firms and employees within the organizations to focus their systems, policies and resources in a coordinated way on continually improving both quality and productivity. The most valuable resource for enhancing quality, quantity, timeliness and productivity is fair business domain. Glover and Siu (2000) in Chinese context, indicated that organizational productivity was hampered by ethical problems and shortfalls in the management practices such as biased business process, domain, poor reward management practices, poor communication and absence of career planning. They also pointed out that context specific and general models of productivity as aspect of management practices are needed for the successful operation of organizations and to eliminate productivity and digital transformation related problems experienced by the manufacturing firms.

The benefits of digitalization will not accrue automatically to industry or society, and there is a risk that the promise of business domain will go unfulfilled. Moreover, firms do not always understand what impact their digital initiatives will have on different aspects of society from employment to the environment and beyond or what duty they should bear for addressing any unintended consequences of digitalization. Another issue that necessitated this study is the seeming dearth of empirical studies on the relationship between business domain and organizational productivity within the context of manufacturing firms in Rivers State, Nigeria.

Business Domain

Firms are paying more attention to business domain and technologies to leverage their continually growing pools of information, enabling their workers and managers to make better business decisions. Business domain allows the raw, massive technology together by various sources to be transformed into useful information supporting business purposes, ultimately providing long-term stability (Rud, 2009). Furthermore, as enterprises grow, there is an overwhelming need to be able to analyze historical business domain and to predict future trends. Chaudhuri et al (2011) provided a broad overview of current Business domain technologies, and the manner in which they interact. The specific technologies addressed include extract transform load tools, complex event processing engines, relational database management systems, map-reduced paradigms, online analytic processing servers, reporting servers, enterprise search engines, data mining, and text analytic engines.

Chaudhuri et al (2011) opine that the landscape of Business domain is growing exponentially as a result of the new technologies and concepts in the industry. It is their opinion that cloud computing will be the cause of the next leap forward. Muriithi & Kotza (2013) delivered a conceptual framework for a cost-effective Business domain solution as a service. Weber (2013) view that business domain is how to sustain self-service. It starts off with the definition of self-service reporting, describing the methods for business executives, managers, operational decision makers, analysts, and knowledge workers to access information required to support decisions and actions to promote business success. Saha (2007) opine that Business domain computing issues by introducing many different practices that are associated with it. Saha defines business domain as a term which means a technology that incorporates the application of statistical techniques in conjunction with mathematical formulae that attempt to identify significant relationships between variables in historical information, which can then be used to forecast, perform sensitivity analysis, or just identify significant relationships that exist in the information at hand. Business domain has gained widespread use in the practice community, the academic literature on this topic is fragmented and confounded by inconsistent definitions and construct boundaries (George & Bock, 2011). The term business domain often appears to encompass everything from among others, strategy, economic model, and revenue model. Although several papers have critically examined certain aspects of business domains (Casadesus-Masanell & Ricart, 2010; Morris et al, 2005; Zott & Amit, 2008; Zott et al, 2011), the strategic management community has ultimately struggled to agree on a clear role for the business domain in theory and practice. Further, Afuah (2004) perceives business domain as the core reason behind the creation and success of corporations, such as Microsoft, Walmart and eBay. Porter (2001) defined the business domain approach to management as an invitation for faulty thinking and self-delusion. Is business domain simply a term to explain the high capitalization of dot-com companies, justify new consulting projects, and enable the easier publishing of academic papers, given its hype nature? Or does it have a legitimate place in the management literature? As business domain is created from unique combinations of resources, transaction cost economics identifies transaction efficiency as a source of value (Morris, 2005). Casadesus-Masanell & Ricart (2010) opined that business domains are reflections of the realized strategy. We argue that business domain shapes the development of capabilities that can alter current business models in the future. Business domain is about building dynamic capabilities aimed at responding efficiently to future and existing contingencies (Ambrosini & Bowman, 2009).

Concept of Organizational Productivity

Productivity is the amount of work produced in a given period of time. Productivity relates to the person's ability to produce the standard amount or number of products, services or outcomes as described in a work description. Productivity is a degree of the quantity and quality of work done, considering the cost and human resources utilized. The more productive organization is, the better its competitive advantage. Employee productivity may be hard to measure, but it has a direct effect on a company's profits. An employer fills his staff with productivity in mind and can get a handle on

a worker's capabilities during the initial job interview. Yet, there are several factors on the job that help maximize what an employee does on the job. Hilmer (1991) too restated productivity as the relationship between output and input; however, he is aggrieved to see that most studies on productivity focus only on inputs, and therefore talk about cost reduction and employee retrenchment as factors of productivity growth. Dunnette (1991) also argued that productivity should be studied in terms of inputs used by an organization to achieve a specific goal. According to him, the higher are the inputs or resources in terms of labor or capital, the greater will be the productivity. However, due to rapid automation and results oriented work environment, modern organizations seem to have redefined productivity. Nowadays higher productivity is understood in term of optimum utilization of human and material resources; minimum wastage and avoidance of rework; and quantitative and qualitative production at lower cost. In the modern terms, therefore higher productivity emphasizes more on the increase of output but with the same amount of inputs; hence a need is felt to identify, train and retain such employees who can be more productive than others. A business strategy therefore needs to be framed in order to achieve a particular productivity level by gearing up the organizational resources including the human capital. Therefore, training is understood and accepted as a business strategy and linked with enhancement of productivity level in an organization.

According to Ulrich (2012), productivity implies the level or degree of output achieved from a defined input. The 'input' in most organizations is measure as material/equipment costs. Labour hours, or production costs. Output may consist of sales, earnings, and market share. Some organizational have proved that employee's knowledge, skills, abilities, attitude, motivation and behaviours affects productivity. The basis for improvement on employees' productivity being from the identification of organization skills gap through skill gap analysis and proceeds with cocktails of digital transformation in order to fill skill gaps that is so identified.

Leadership Style

Achua and Lussier (2013), define leadership as the process in which a leader influences the people, he/she is leading so that they will achieve the goals of the organization as changes are carried on. They further defined influence, as the process used by a leader to communicate ideas, gain acceptance of them, and motivate followers so that they will carry out the support as well as the implementation of their ideas through the use of change mechanism. The reason behind leadership is that it is based on the capacity of a leader to put pressure on how employees react in response in an organization (Gunavathy & Indumathi, 2010). According to Daft (2008) detailed that leadership is a pressure coming from connection which is in existence among leaders and followers who have it mind to bring about outcomes and changes that are real and have reflection of what they intend to do. Obiwuru et al (2011) postulate that the ability of management to execute collaborated efforts depends on leadership capability. Hence, an effective leader does not only inspire subordinates' critical potential to enhance efficiency but also meets their requirements in the process of achieving organizational goals (Lee & Chuang, 2011).

Leadership as an approach that is general for the control of other people in the achievement already set goals. Six different views were identified by the scholar as regards leadership. they are: higher levels in terms of physical power, showing power and taking control of others, use of force, putting fear on people, need for a protector that is powerful; energies that are mentally superior, motivational forces that are superior, perceivable in communication and behaviours, lack of fear, courage, determination (psycho energetic leadership); having abilities that are higher for the management of overall picture (macro-leadership); having abilities that are higher to tackle tasks that are specialized) (micro-leadership); and having higher level of wisdom, values, and spirituality (spiritual leadership). A leader is seen under servant leadership as one whose recognition is not formal. Any leader within an organization is involved leading the team members by meeting them so that they will meet their needs is described as being a servant leader. This leadership style is democratic in nature, this is because all the team members are involved the making of decision.

People who support this leadership are of the view that it something that is important in the creation of values as the world is moving ahead, and a place through which power is being achieved by the servant leaders depending on the ideals and values created (Singapore Productivity Association, 2010). A leader is seen under servant leadership as one whose recognition is not formal. Any leader within an organization is involved leading the team members by meeting them so that they will meet their needs is described as being a servant leader. This leadership style is democratic in nature, this is because all the team members are involved the making of decision. People who support this leadership are of the view that it something that is important in the creation of values as the world is moving ahead, and a place through which power is being achieved by the servant leaders depending on the ideals and values created (Singapore Productivity Association, 2010).It is believed that achievement goal orientations determine prominently the achievement in terms of the behaviour of students (Alderman, 2004).

Technological Determinism Theory which was developed by Thorstein Veblen in 2001. Technological determinism seeks to show technical developments, media, or technology as a whole, as the key mover in history and social change. It is a theory subscribed by "hyperglobalists" who claim that as a consequence of the wide availability of technology, accelerated globalization is inevitable. Therefore, technological development and innovation become the principal motor of social, economic or political change. Strict adherents to technological determinism do not believe the influence of technology differs based on how much a technology is or can be used. Instead of considering technology as part of a larger spectrum of human activity, technological determinism sees technology as the basis for all human activity.

Technological determinism has been summarized as 'The belief in technology as a key governing force in society (Merritt & Roe Smith, 2001). 'The idea that technological development determines social change (Bruce, 2002). It changes the way people think and how they interact with others and can be described as a three-word logical proposition: Technology determines history (Rosalind Williams) . It is the belief that social progress is driven by technological innovation, which in turn follows an inevitable course.' (Michael & Smith, 2004). This 'idea of progress' or 'doctrine of progress' is centralized around the idea that social problems can be solved by technological advancement, and this is the way that society moves forward. Technological determinists believe that you can't stop progress', implying that we are unable to control technology (Ielia, 2007). This suggests that we are somewhat powerless and society allows technology to drive social changes because, societies fail to be aware of the alternatives to the values embedded in it technology.

Technological determinism has been defined as an approach that identifies technology, or technological advances, as the central causal element in processes of social change (Croteau & Hoynes, 2008). As a technology is stabilized, its design tends to dictate users' behaviors, consequently diminishing human agency. This stance however ignores the social and cultural circumstances in which the technology was developed. Sociologist Claude Fischer (1992) characterized the most prominent forms of technological determinism as billiard ball approaches, in which technology is seen as an external force introduced into a social situation, producing a series of ricochet effects.

CONCLUSION

Following the expansion of business activities, globalization, and rapid changes in the organizations' environment, information is considered as a strategic factor to the extent that today it is seen as a powerful tool in dealing with environmental problems and challenges as well as a tool that makes proper use of opportunities. Accordingly, the establishment of an appropriate information system using ICT for collecting, processing and storing of data is of vital importance. Although ICT and the use of computer have never replaced for human decision making, their power to help managers and employees to make the right decisions using accurate information and speeding up tasks cannot be neglected. Many organizations have realized the importance of business domain and its impact on

speeding up and accurate performance of tasks and increasing customer satisfaction, quality of output, support systems, managers' decision-making, and especially the organization's effectiveness. Such awareness has caused most organizations to quickly move towards the application of IT.

RECOMMENDATIONS

Based on the findings in this study, the following recommendations were made:

- Failure to use proper techniques can be a challenge in business domain. Organizations are advised to adopt a favourable procedures. Stress can be reduced if efficient ways are used to introduce and implement the needed transformation.
- Business domain and its use involves the constant generation, processing, and the management of the data. Therefore, it will serves as a tool for solving the problems only when it is used for the purpose of human development. In this case human capabilities ae mixed, resulting in development and productivity.
- Proper training is recommended to ensure that the workforce understand the need for the transformation and how this transformation will help them to improve their work. Today, the needed trainings and changes and orienting them through IT are performed easily and develop the organization or the society in different fields.

REFERENCES

- Afuah, A. (2004). *Business models: A strategic management approach*. McGraw-Hill.
- Ambrosini, V., & Bowman, C. (2009). What are dynamic capabilities and are they a useful construct in strategic management? *International Journal of Management Reviews*, 11(1), 12-14.
- Casadesus-Masanell Ramon and Ricart Joan Enric (2010). Business model innovation. *Long Range Planning*, 43(2), 195-215.
- Chaudhuri, S., Dayal, U. & Narasayya, V. (2011). An overview of business intelligence technology. *Commun. ACM*, 54(8), 88-98.
- Dunnette, M.D. (1991) *Handbook of Industrial Organization Psychology* (2nd Ed. Vol 4). Palo Alto Ca, Consulting Psychologists, Press.
- George, G., & Bock, A.J. (2011). The business model in practice and its implications for entrepreneurship research. *Entrepreneurship Theory and Practice*, 35(1), 83–111.
- Hilmer, Frederick, G. (1991). Enterprise specific productivity and national policy, policy. Spring.
- Mathis, R, L., & John. Jackson. H. (2003). Human resource management (11th Ed). Elsevier Inc.
- Morris, M. H., Schindehutte, M., & Allen Jeffrey (2005). The entrepreneur's business model: Toward a unified perspective. *Journal of Business Research*, 58(6), 726-735.
- Muriithi, G. M., & Kotzé, J. E. (2013). *A conceptual framework for delivering cost effective Business Intelligence solutions as a service*. [Masters Proceedings]. South African Institute for Computer Scientists and Information Technologists Conference (SAICSIT).
- Rud, O. (2009). Business Intelligence success factors: tools for aligning your business in the global economy. Hoboken, N.J: Wiley & Sons

Saha, G. K. (2007). Business intelligence computing issues. Magazine Ubiquity.