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## JOB ANALYSIS AS A TOOL FOR IMPROVED ORGANIZATIONAL PERFORMANCE OF SMEs IN LAGOS, NIGERIA

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### **Abstract**

*This study explored the influence of job analysis on organizational performance among 180 small and medium scale enterprises in Lagos, Nigeria. Data was obtained using structured questionnaires and analysis of company financial statements. The analysis was done using statistical package for social science (SPSS) version 20 and the results obtained showed that proper job analysis improves productivity at work, efficiency and organizational profitability. Findings also showed that there are significant challenges that hamper the effective implementation of job analysis in SMEs in Lagos. The study thus recommended that entrenching a company policy of robust talent management and job analysis in order to bring about continuous improvement of staff performance and organizational efficiency.*

### **Key words**

*Job analysis, human resource management, small and medium scale enterprises, organizational performance*

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### **Introduction**

Job analysis involves the process of understanding the jobs that need to be filled in an organization, the specific tasks that are supposed to be accomplished by individuals doing these jobs, the human traits and characteristics needed in order to do these jobs and the parameters that can be used to evaluate the successful and effective execution of these jobs. According to Dessler (2013), job analysis could be defined as the procedure determining the duties and skill requirements of a job and the kind of individual or individuals who should be hired.

Business organizations in recent times have adopted job analysis as a very important human resource planning strategy. This is due to the fact that the human resource is the most important resource of every business organization. According to Sackett and Laczó (2003), proper human resource management practice has a direct positive effect on organizational performance. The study further mentioned that business organizations that pursue job analysis

as a planning strategy for human resource management tend to have competitive advantage over organizations that do not make such provisions.

Previous research work done on job analysis focused on the methodological aspects of the topic, thus making significant contributions to the field of human resource management by developing procedures and techniques for generating job-related data. This has enabled experts to effectively apply the procedures of job analysis in various organizations. Furthermore, Osibanjo, Kehinde and Abiodun (2012) opined that job analysis information and procedures have effectively been used to provide information about jobs and also characteristics for jobs, thus helping recruiters to know the features they are looking out for in prospective employees and also for job seekers to ascertain if they are qualified for the job that they seek.

The importance of job analysis cannot be over-emphasized. According to Fine and Cronshaw (2009), job analysis is the backbone of nearly all human resource management activities. He further mentioned that it provides information about jobs and job holders, utilized by human resource professionals to develop job descriptions as well as design performance evaluation standards that will be used for staff appraisal. In addition, Adegami (2013) also mentioned that job analysis helps management in preparing appropriate recruitment strategies, training and development, compensation packages as well as health and safety requirements that are designed around the demands and characteristics of the job. He further mentioned that this information is vital to the job seekers as they adequately prepare themselves to be qualified for the jobs that they seek and know areas where they are deficient in order to develop themselves.. Effective human resource practice requires a clear understanding of the details of jobs on the part of the organization and employees, thus making it intuitively imperative that there is a relationship between job analysis and company performance.

Despite the increased importance of job analysis, there has not been enough empirical research done, especially linking it organizational performance in African countries. It is based on this gap that this study is carried out and is aimed at examining this link between job analysis and organizational performance, and test it with empirical data obtained from 160 SMEs in Nigeria.

### **Theoretical background**

Over the years, management experts have been of the view that sound human resource practices significantly help in improving organizational productivity and financial performance. The advantages of job analysis go beyond business organizations, but also for public sector enterprises and non-profit organization. However, this study focuses on the role of job analysis for business organizations. One of the theoretical designs adopted in job analysis is the Hackman and Oldham job characteristics model, as described by Anyadike (2013). This model postulates that desirable job outcomes are cultivated in response to the task itself. This model, postulated by Hackman and Oldham (1980) further postulated that in order for motivation to prevail among workers, the tasks being assigned must stimulate satisfaction within their own specific context. Tasks should be identifiable and there should also be a tangible outcome, while significantly impacting the organization and the individuals working in the organization. The theory of the job characteristics model, according to

Bohlander and Snell (2009) relies on stretching the capabilities of individual workers by creating a challenging work environment by giving workers greater autonomy, responsibility, rotation and job enrichment. In another related study, Wilson (2004) also mentioned that it is important to periodically administer periodic surveys in order to ensure that workers are continually motivated and improved in their work environment and measures be taken in order to improve upon identified deficiencies.

In order to ensure the success of administrative decisions in business organizations, it is important to ensure that workers participate in the decision making process of the organization. According to Robinson (2012) when workers have a say in decisions made by the management of the organization, these workers perceive the procedures within the organization more favourably as opposed to situations when they are not given a voice in managerial decisions.

Another theory of job analysis is the Job Embeddedness Theory. This theory postulates that if employees are embedded to their job, it is unlikely that they will leave (Rogelberg, 2007). Job Embeddedness is measured with the relationship of an employee's fit with the organization and the individual's social links to the workplace and the community. However, Schmitt and Fine (2003) mentioned that a significant limitation of the job Embeddedness theory is that it places heavy emphasis on factors such as marital status the workers' connection to the community and many of these are outside the jurisdiction of the manager. The Human Capital Theory of job analysis postulates that human workers within an organization may be used interchangeably, and that human workers bring a tangible asset within an organization in the form of their learned skills, innate talent and relationships (Schneider and Konz, 1999). This theory thus views the individual worker as an asset or a liability to the organization, thus this makes it imperative that business firms employ individuals who have the aptitudes and capabilities that are contained in the job description.

Job analysis is vital in order to achieve the strategic plans and objectives of a business firm. According to Anyim, Ikemefuna and Mbah (2011), job analysis information helps in identifying key employee competencies required in different work positions as well as training needs that to be met, thus consistently equipping workers with the needed skills for doing the job effectively. Furthermore, the organizational tradition also helps in determining the key traits that are needed by employees. For instance, according to Edien (2015), a business organization that thrives on creativity and constant improvement will not limit its workers to being "pigeon-holed" at their position, but look beyond their own jobs and constantly seek for ways to improve things in their organization. The study thus recommended that competency-based job analysis be used by business organizations and the traditions and strategic plan of an organization should be considered in every decision pertaining to staff recruitment and training in order to effectively organize work around the employees competencies in order to bring about continuous improvement.

Companies that conduct regular job analysis are more able to get the best from their employees than those that do not apply job analysis. According to Fine and Cronshaw (2009), this is due to the fact that organizations that carry out job analysis set minimum required performance benchmarks for their employees and also bring about proper evaluation benchmarks that will be used to for effective employee performance appraisal. In another related study, Franklin (2005) also opined that proper job analysis information helps business

firms in making decision about the right compensation package that is suitable for the job position; decision about training needs required for the job, and also helps ensuring that the organization complies with existing employment laws that exist in the country or community, where the enterprise is based in. Furthermore, Bannick, Levine and Morgeso (2007) were of the view that proper job analysis helps organizations to set up human resource management systems in place that will not be too difficult for new entrants to understand, thus creating an atmosphere of stability and sustainability.

The most important aspect of job analysis is designing the job description. The job description is a written statement of what the worker does, how he/she ought to do it and the working conditions under which the work shall be done. According to Cascio and Aguinus (2005), the information contained in the job description helps inform the job seeker the role his job plays in the organization achieving its goals and objectives. He further mentioned that job description information clearly highlights the chain of command of the organization, the authorities as well as responsibility due to the job seeker. Harley (1999) mentioned that proper job analysis, description and design promotes employee productivity as individuals specialize on tasks that they are qualified and have the skill for. The study further mentioned that a continuous repetition of tasks leads to expertise and dexterity.

The human resource department of every organization plays a key role in its development. In his study, Franklin (2005) mentioned that the human resource departments play important management roles in organizations as they ensure that there is proper staffing of different departments in the organization. In another related study, Muchinsky (2012) mentioned that the consequences of filling job positions with the wrong people cannot be exaggerated. The study mentioned that an organization's success is highly dependent on the quality of its human resources, thus with increased competition amongst businesses and the need to continually keep abreast with changing dynamics of the modern day business world, it is imperative that competent individuals are put in various positions.

Some business organizations make use of competency-based job analysis to create employee profiles for various positions in their organization. According to Okoye and Ezejiolor (2013), competencies are observable and measurable behaviours of an individual that make the performance of job tasks possible. Competency based job analysis involves describing the job in terms of measurable and observable behavioural competencies (knowledge, skills and behaviours) that an employee doing a job must exhibit. Furthermore, Siddique (2007) mentioned that unlike the traditional job analysis that is job-focused, competency based analysis is worker-focused, as it concentrates on the fact that the worker must be competent enough to perform all the tasks inherent in the job. The study further mentioned that managers usually group competencies into three broad parts namely general competencies, leadership competencies and technical competencies. General competencies are described as skills that are general in nature for instance writing, reading and language skills. Leadership competencies on the other hand are skills that measure leadership ability of the individual such as strategic thinking and planning ability, while technical competencies are specific skills needed for the job, for instance, for a systems engineer position, the individual should have the ability to create and design software applications.

In studying the behavioural aspect of job analysis, Wilson (2004) opined that one of the fears employees have about job analysis is that a clear and concise definition of their work means limiting their creativity and flexibility. The study further mentioned that employees are also afraid about the purpose of elaborate examination of the workplace. In order to ameliorate this fear, the study recommended that employees must be properly educated why job analysis is done and also make an input on how they think the job can be done better. In another related study, Rogelberg (2007) also mentioned that giving employees increased responsibility improves their confidence level at work and also their level of contribution to the organization. The study further mentioned that increased responsibility helps in improving the leadership abilities of these employees as they are able to take on new tasks and lead new projects.

Small and medium scale enterprises (SMEs) constitute a major bedrock of the Nigerian economy. They contribute significantly to gross domestic product, tax revenue for the government and also help in capacity utilization as well as giving new and prospective entrepreneurs the opportunity to venture into entrepreneurship. Furthermore, according to Anyakoha and Nwolisa (2017), SMEs help in creating employment for the society, especially for fresh graduates, as they gain working experience in these organizations. It is therefore critical that these organizations do well financially in order to achieve economic balance in the country. For these SMEs, the human resource is their most important asset. This makes human resource management an integral part of the management decisions in the organization.

The Nigerian economy has been classified as a fast growing one, driven by private sector growth, foreign investment and a surge of afri-capitalism. Furthermore, with a population of more than 90 million individuals, there is available a dynamic workforce that if properly harnessed, is capable of positioning the country's economy into the best in Africa. Lagos state on its own is the biggest economic hub of the country, with a large concentration of SMEs that are championing innovation and commerce. The influx of foreign direct investment (FDI) has created an impressive mix of domestic and foreign companies. This has created an atmosphere of competition making it imperative that companies become productivity and efficiency conscious. This in turn has made business organizations especially SMEs to search for strong management practices, especially in the area of human resource management. Job analysis provides a veritable human resource management tool for SMEs in achieving their strategic objectives as it helps to clearly outline performance targets for employees of an organization.

It is on the backdrop of this that this study is conducted and is aimed at exploring the influence of job analysis on organizational performance of selected SMEs in Lagos State, Nigeria. Financial performance (earnings, profitability and liquidity) as well as employee satisfaction and staff turnover were used to ascertain the organizational performance.

## **Material and methods**

A sample of 180 SMEs was randomly selected for this study, and these organizations were distributed across the various local government areas in Lagos State. Structured questionnaires were distributed to the managers of the various businesses, and 172, indicating a return rate of 95.5%. Furthermore, the audited financial statements of the companies were also used to ascertain profitability and earnings figures. SMEs were used for this study based on the fact that they constitute more than 65% of the business organizations in Nigeria (Anyakoha and Nwolisa, 2017). Furthermore, they also constitute 59% of total private sector employment in the country.

The SMEs used for this study are based in Lagos state of Nigeria and are engaged in different sectors of the Nigerian economy. The sectors of the economy that SMEs for this study are engaged in include agriculture, oil and gas, extractive industry (mining industry), education, non-professional services, fast moving consumer goods (FMCG), telecommunication and information and communication technology (ICT). The justification for using Lagos State for this study is based on the fact that Lagos has the highest concentration of SMEs in Nigeria and also these SMEs cover almost all the sectors of the Nigerian economy. Also, a 5 point Likert scale was used to measure the times that described the effect of job analysis on organizational performance.

## **Results and discussion**

### **Demographic Characteristics of the Sample**

The results of data analysis are presented in the following section. Demographic characteristics of the sample, outlining the sectors of the economy in which the SMEs are engaged in are shown in Table 1.

Table 1: Sector Breakdown of Respondents for the Study

<b>Sector</b>	<b>Frequency</b>	<b>Percent</b>
Agriculture	19	11.05%
Oil and Gas	24	13.95%
Extractive Industry	21	12.21%
Education	17	9.88%
Non-professional services	28	16.28%
Fast Moving Consumer Goods	34	19.77%
Telecommunication	8	4.65%
ICT	21	12.21%

Source: Computed field data 2019

There was a fairly even distribution of respondents amongst different sectors of the economy, with Fast Moving Consumer Goods (FMCG) sector having a slightly higher population than the rest due to their prevalence in terms of population in SME sector. However, most of the productive sectors of the economy were captured in the study.

### **Descriptive Statistics of Use of Job Analysis**

Table 2 shows the descriptive statistics of the effect of job analysis on organizational profitability of SMEs in Lagos, Nigeria

Table 2: Descriptive statistics of effect of job analysis on profitability

<b>Variable</b>	<b>Mean</b>	<b>Standard Deviation</b>	<b>Variance</b>
Less resources spent on correcting mistakes	4.13	1.05	1.71
Reduced wastage of production inputs	3.99	1.26	1.87
Proactive in anticipating problems before they occur	3.71	0.89	2.42
Recruitment of skilled and qualified manpower thus reduced training costs	4.01	0.97	2.39

Source: Analysis of field data 2019

The findings in Table 2 indicate that job analysis leads to fewer resources spent on correcting mistakes. This is due to the fact that job tasks are properly outlined, thus enabling employees to be methodical in accomplishing job tasks. In addition, the findings also show that job analysis brings about a reduction in wastage during the production process. This could be attributed to the fact that qualified and skilled workers are more efficient in carrying out their tasks thus reducing mistakes and wastages. This is in agreement with the postulations of Anyadike (2013), who mentioned that clearly specifying tasks for a given job helps human resources departments to hire the best qualified staff and also makes employees to grasp the rudiments of the job faster. Furthermore, Fine and Cronshaw (2009) also opined that repetition of tasks leads to specialization, thus making for improved output at work.

### **Descriptive statistics on the effect of job analysis on employee productivity**

Table 3 shows the descriptive statistics of the effects of job analysis on employee productivity.

Table 3: Descriptive statistics on effect of job analysis on productivity

<b>Variable</b>	<b>Mean</b>	<b>Standard deviation</b>	<b>Variance</b>
Jobs are done efficiently	3.84	1.05	1.86
Minimal down-time between performing tasks	3.91	0.97	1.81
Rudiments of the job are mastered faster and improved upon within a short time	4.01	0.87	2.31
Multi-tasking is done to more effect	3.84	0.91	2.42

Source: Analysis of field data, 2019

The findings in Table 3 shows that job analysis makes it possible for jobs to be done more efficiently, thus using fewer resources to accomplish more objectives. Furthermore, the findings also show that job analysis brings about minimal down-time between performing different tasks. These are in agreement with the postulation of Okoye and Ezejiofor (2013) who mentioned that job analysis leads to specialization and accomplishment of tasks in a

more efficient and effective manner. The findings from this study also show that job analysis enables employees to master the rudiments the job faster, thus reducing mistakes and costs in the medium and long run. This is in agreement with the findings of Osibanjo, Kehinde and Abiodun (2012) who mentioned that faster understanding of the rudiments of a job reduces training costs for the organization, increases efficiency and leads to more productivity, thus giving the organization an edge over its competitors.

### **Descriptive Statistics on the Challenges of Implementing Job Analysis in SMEs**

Table 4 shows the challenges that are faced by SMEs in implementing job analysis

<b>Variable</b>	<b>Mean</b>	<b>Standard deviation</b>	<b>Variance</b>
Lack of management support	3.71	0.91	1.81
Lack of support by employees	3.87	0.97	1.76
Bias on the part of the job analyst	4.01	1.09	2.04
Using single data source	3.61	0.76	2.03
Inability to identify the need for job analysis	3.92	0.85	2.30

Source: Data analysis 2019

The findings in Table 4 show that lack of management support significantly hampers the effective implementation of job analysis in SMEs. In order to inculcate such an important policy in an enterprise, there is a need for top management not only support but work in tandem with human resource departments in order to promulgate optimal polices on staffing, employee training and job analysis. Furthermore, lack of support on the part of employees significantly hampers the implementation of job analysis. These findings are in agreement with the postulations of Schmitt and Foe (2003) who mentioned that the use of single source of data for job descriptions does not give an accurate and complete description of what is expected for different jobs. They further mentioned that it is imperative for the job analyst to be objective in order to properly itemize and describe what is expected from an employee in a given position. The findings are also in agreement with the postulations of Anyadike (2013) who mentioned that there is a need to properly educate employees on the value and need for job analysis in order for it to be implemented effectively. The study further opined that employees should also be involved in the job analysis process so as to make it more dynamic and effective.

### **Conclusion**

The findings from this study have shown that job analysis contributes significantly to organizational performance. Furthermore, the findings from this study also buttress the fact that job analysis is an important strategic management decision for business organizations. Human resource departments play a key role in organizational development by ensuring that only skilled and qualified candidates are recommended for job positions. Furthermore, staffing constitutes very important management decision, thus the strategic plan of an organization must include staffing and how the staff employed will help the organization to attain its strategic objectives. This study thus recommends that SMEs should inculcate a culture of job analysis in their operations and use it as a framework in making recruitment decisions, drawing staff training curriculum and also making promotion and appraisal decisions. Furthermore, job seekers should also study the requirements, rudiments and

responsibilities pertaining to the jobs they want to apply for in order to ensure that they possess the needed aptitudes, attitudes, qualifications and experience needed for the job.

The findings of this study are relevant for human resource professionals as it helps them to initiate workable human resource management principles and activities that will help their organizations to achieve strategic goals. Furthermore, findings from this study are also important for management decisions of SMEs as they employ the specific type of job analysis most suitable for them.

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