



Effective Communication and Quality Management Strategies as a way of Curbing Challenges of Economic Recession in Nigeria

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ABSTRACT

National recession is a negative term used to describe a halt in economic growth for two consecutive quarters. When national economy stagnates, there is widespread drop in spending; a process that is popularly termed as “an adverse demand shock”. This of course neither augurs well for the wellbeing of the citizens nor promotes national prosperity. Effective communication is a vital tool for giving accurate and detailed information to the masses on current happenings in any society. It is also a crucial way of getting viable feedbacks from the citizenry about their perceptions of diverse sectors of national life including economic performance. In this sense, it serves as a tool for enriching national solutions to economic issues. The advantages of quality management in boosting economic performance and increasing organizational profitability cannot be overstated. Yet, academic discourses that emphasize the use of effective communication and quality management strategies, two vital elements of Business management, to curb the challenges of national recession are scarce. This paper therefore, advocates that despite evidence of improving economic strands capable of exiting Nigeria from economic recession, accurate, valuable, and effective information needs to be made available to the private and international investors on the state of Nigerian economy in general and recession in particular to motivate them to improve their investments in Nigeria. The paper also recommends that quality management should also be taken seriously to improve customers’ confidence and participation in the economy as a way of curbing further economic recession.

Keywords: Communication, Quality Management, Economic Recession, Business Education

INTRODUCTION

Experts generally see recession as a contraction in business cycle leading to a general slowdown in economic activities within the country. It is defined in a negative sense as a halt in economic growth for two consecutive quarters (Ngwugbe A. & Matthew Ogbuagu 2014). As reported in the *Nigerian’s Economy and Recession: Outlook for 2017*, the contraction in the economy is quite broad comprising both the oil and non-oil sectors of the economy. The National Bureau of Statistics (NBS) indicated that in 2016, the oil sector contracted by 17.48% while the non-oil sector contracted by 0.38%. It went further to states that with the exception of agriculture and telecommunication, almost all major economic sectors such as manufacturing, construction, trade, transport, hotels and restaurants, finance and insurance, real estate and government were in recession. As a consequence of the recession, there was widespread drop in spending, a process that is popularly termed “an adverse demand shock”. Other effects of recession as enumerated by Noko (2016) includes high unemployment, low incomes and wages, withholding of private and foreign investments, poor funding of critical infrastructures like education, roads, etc. for a layman however, what s/he sees during the period of recession is that poverty



increases. Igberaharha (2017:22) states that, three macro level indices such as level of economic growth, level of unemployment and level of quality of citizens' welfare and four micro level indices namely decreased demand and consumption, price instability, rising cost and economic impacts on housing can be used to determine the challenges of economic recession among developing countries. In order words if these macro and micro level factors can be tackled, recession will be dealt with. Looking at both the macro level and micro level indices, it could be seen that effective communication and quality management strategies could play vital roles in curbing recession challenges. The problem however, is that academic discourses rarely emphasize the use of effective communication and quality management strategies, two vital elements of Business management, in suggestions on how to curb the challenges of recession. The goal of this paper therefore, is to show that despite evidence of improving economic strands capable of exiting Nigeria from economic recession, effective and quality management have vital place in eradicating challenges of economic recession. This paper will therefore use the indices mentioned above to discuss how the two variables of communication and quality management can be used to curb the challenges of national recession.

Communication and Tackling the Challenges of Economic Recession

Three active agents play key role in economic growth of any nation that is, the government, the investors (national and international) that produce and employ workers and then the consumers or the citizens. Any viable discussions on solutions proposed to address the challenges of economic recession in Nigeria must take into cognizance these three active agents. Economic scholars notably Nwogwugwu opines that four major courses of actions are needed to tackle recession namely:

- a) Consolidating the revenue base of government by improvement in internally generated revenue,
- b) Re-mobilization of capital into more productive sector that will yield more and quick returns
- c) Creating price stability and building customers' confidence to spend
- d) Tackle the problem of corruption

The three agents need to be well informed about their contributions and what is at stake to curb recession. Solutions have to be effectively communicated.

a. Communication and Economic Improvement

Richmond, McCroskey and McCroskey (2002:20) clearly define effective communication as "the process by which individuals stimulate meaning in the minds of other individuals by means of verbal or non-verbal messages in the context of a formal organization". Iscan (2012:17) points out that "in the modern economic perspective information and communication technology is seen as an important production factor by reason of knowledge-driven (New) economy".

Communication has become as important as land, labour and capital. To be able to stimulate economic growth therefore, competent government authority and policy makers must be prepared to communicate true state of the economy and what is being done to address the crisis to investors and citizens of the country. In fact such attitude is



considered as a real time response to real time issues. This is often done through decisive, reactive, planning and forecasting managerial strategies (cf. Onwuchekwa, C.I. 2000:227). Such communication needs to assure citizens on what is done satisfy worries such as:

- e) Meeting customers new demands and complains
- f) Meeting employers needs and tackling employees' resistance to change
- b) Promote efficiency in labor, improve technology and increase productivity

Effective communication therefore plays four vital roles in curbing recession. These roles are:

- a) Economic improvement
- b) motivate customers
- c) improve productivity
- d) promote teamwork and empower employees

Business scholars have always held that communication impacts on productivity in both kinds and magnitudes. There is therefore a significant relationship between good communication and successful implementation of national economic issue such as recession. Good communication has always been a major requirement of good management. Managers rely on communication that moves in all directions: up, down and sideways in order to monitor production process, detect flaws, improve product and know what was supplied and what is needed.

b. Communication and Customers Motivation/Welfare

The customer patronage ultimately determines the level of profitability of organization and the overall performance of the economy. Trying to motivate customers and promoting their welfare is more than just lowering the prices of goods and services. No matter what an organization does to foster quality improvement—training employees, integrating quality into the design process, upgrading computers or software, or buying new measuring tools—the customer determines whether the efforts were worthwhile. Even when employees are considered to be the internal customers of the organization, they participate in working toward common goals. Total employee commitment is therefore necessary and this can only be obtained after fear has been driven from the workplace, when empowerment has occurred, and management has provided the proper environment. To achieve this good communication is paramount. High-performance work systems integrate continuous improvement efforts with normal business operations. Self-managed work teams are one form of empowerment. But obviously this cannot be achieved without effective communication. Customers, be they internal or external, are the life-blood of any organizational enterprises. A fundamental goal of quality control is the happiness of the customers. Usually, quality problems, as demonstrated by Montgomery et al, “are the outcome of uncontrolled or excessive variability in product or service characteristics that customers find unacceptable. Every customer always has expectation of the kind of products s/he wants. When this expectation fall short, the customers are bound to be disappointed and provoked. The provocation may even be exacerbated if the customers find it difficult to get the company to immediately address the quality inadequacies; if



there are no efficient communication outlets for the customers to vent their feelings. Communication therefore is even more crucial during the period of economic crisis.

In 2010, following multiple customers' complaints especially in the USA, Toyota, which is a notable Japanese automobile company, was forced to recall an executive brand of their 2008 Toyota Corolla. This was as a result of engine and engine cooling defects. This recall was seen by business analysts not only as a portrayal of design and quality crisis but a serious scandal for a giant company like Toyota. It was also a problem too bad for business at a time when the company's stock plummeted in the stock market. The company had to wade in to effect damage control. Part of the strategies used for damage control was effective communication with their customers. Under normal circumstances, many responsible organizations continually increase and maintain their quality standards in order to keep their customers. Successful companies know that meeting customers' expectations is the source and sustenance of their success. Because of this fact, every organization has a unique work culture and this culture include having workable communication channels. It is virtually impossible to achieve excellence in its products and services unless a good quality culture has been fostered. Thus, an integrated system connects business improvement elements in an attempt to continually improve and exceed the expectations of customers, employees, and other stakeholders.

c. Communication and Organizational Culture Improvement

Though a culture of continual process improvement is a major thrust of quality management, all activities aim at improving organizational situations ought to be effectively communicated. The culture of continual improvement drives an organization to be both analytical and creative in finding ways to become more competitive and more effective at meeting stakeholder expectations. In order to know how well an organization is performing, data on performance measures are necessary and this data should be of open access. There are a number of benefits that organization stand to achieve by being open and trust-worthy. Parts of these benefits are that by upholding the philosophy of openness, it may lead among others to:

- i. Strengthening competitive position
- ii. Adapting to changing or emerging market conditions and to environmental and other government regulations
- iii. Higher productivity
- iv. Enhanced market image
- v. Elimination of defects and waste
- vi. Reduced costs and better cost management
- vii. Higher profitability

Hence, to improved customer focus and satisfaction, effective communication requires that an organization continually collect and analyze data and communicate outcomes in order to improve decision making accuracy, achieve consensus, and allow prediction based on past history. The culture of Continuous improvement must deal not only with improving results, but more importantly with improving capabilities to produce better results in the future.



d. Communication, Teamwork and Employee Empowerment

During the period of recession and post-recession, encouraging teamwork and empowering employees to put in their best is very essential. The spirit of teamwork implies that everyone's knowledge is productively communicated and utilized for the betterment of the organization. Using teamwork implies that attention is shifted away from internal competition towards quality achievement. In line with F.W. Taylor's theories, a team of volunteer production employees and their supervisors meet regularly to discuss and to solve quality problems. These volunteers may involve both the suppliers and the customers. What is fundamental here is that customers are encouraged to give feedback and the suppliers listen and effect the necessary changes that will ensure quality delivery. Workers are empowered to make decisions relative to quality in the production process. They are considered a vital element of the effort to achieve high quality. Their contributions are highly valued, and their suggestions are implemented. In order to perform this function, employees are given continual and extensive training in quality measurement tools.

Quality Management and Tackling the Challenges of Economic Recession

Idemobi (2010:292) defines quality management as "controlling activities with the aim of ensuring that products and services are fit for their purpose and meets the specification". He identifies two main parts to quality management: quality assurance and quality control. Quality Management is accordingly, about given priority to quality. This entails understanding what the customers want and putting their needs first. It involves trying to ensure that organizations are at their optimal performance and the needs of the customers are satisfactorily met. According to Idemobi (293) again, Quality Management is a form of quality management whose essence is upholding a kind of business philosophy "which emphasizes the need for all parts of the business to continuously look for ways to improve quality". Practically, quality management is a managerial posture which solicits the involvement of everyone in the organization through an integrated effort in order to achieve quality production and services which and if possible exceeds customer expectations. In other words, quality management is according to Juran (1988) "an integrated organizational effort deliberately aimed at improving quality at every level". Though the concept of quality is very central to quality management in that it determine physical, service or cost outcomes of production process, one basic problem that quality management tries to solve is to know what actually constitute quality (since quality can be quantitative or qualitative) and who determine quality (customer or producer). What all these imply is that quality management is a conscious effort to make things work irrespective of politics. Critical time requires critical measures. It is therefore expedient that quality management strategies are adopted to curb recession and post-recession challenges. Quality management strategies operate on several levels, at the level of quality of ideas, quality of production, quality of distribution and quality of use. To some quality is about after-sale service and if this services are not available, then the product is seen as being poor. To another, quality is about price, how much is charge as a purchasing price for the given product while to some quality is something psychological. Once a



product is produced by a company that has a name, then that product is of high quality. A customer once bought an electronic product simply because it was produced by Sony only to regret later of its performance. The volume output of the sound system was exceptionally low. During period of recession, all these elements are constantly keep in view. To give a clear picture of quality, a typology of conceptions of quality from varied dimensions is tabulated below.

Conceptions of Quality by diverse customers		
<p>- Conformance to specifications How well a product or service meets the targets and tolerances determined by its designers.</p>	<p>- Fitness for use A definition of quality that evaluates how well the product performs for its intended use.</p>	<p>- Value for price paid Quality defined in terms of product or service usefulness for the price paid.</p>
<p>- Support services Quality defined in terms of the support provided after the product or service is purchased.</p>	<p>- Psychological criteria A way of defining quality that focuses on judgmental evaluations of what constitutes product or service excellence.</p>	

Taken from John Wiley (p. 138-140)

Whatever constitutes people's understanding of quality, it is widely agreed that quality management is customer focus or citizen focus if you like. It is also about teamwork and employee empowerment, and it is about organizational culture of excellence and all these require good communication to stand.

CONCLUSION

It has been shown that effective communication and quality management strategies can be garnered towards curbing challenges of recession. It is argued that In the face of economic crisis such as recession, curbing challenges will depend on good communication. Communication is also shown to be critical in overall improvement of an organization. It is very crucial therefore that within the process and the administrative structures, an integrative approach that ensure effective communication rather than routine inspection has to be adopted in order to ensure organizational success in terms of quality.

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