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**EXPLORING THE IMPACT OF ECONOMIC RECESSION ON WORKERS JOB SATISFACTION AND ORGANIZATIONAL EFFECTIVENESS IN NIGERIA**

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***Abstract***

*Economic recession is a stage of economic meltdown which can accrue to numerous setbacks thereby affecting different sectors, institutions, and corporate bodies in a nation-state including workers job satisfaction and organizational effectiveness. In order to ascertain a conscientious work, this paper relied on secondary sources of data collection. Information was sourced from published books, journal articles and conference papers that anchored on the phenomenon under investigation. The systems theory was adopted as the theory suitable to guide this work. The paper concludes that one of the major challenges bedeviling workers job satisfaction and organizational effectiveness in Nigeria is economic recession. During recession, organizational productivity and efficiency are badly affected and by so doing, workers are not always satisfied in their workplaces because their salaries and other welfare packages are equally affected. The paper recommends among others that, government, non-governmental organizations, and corporate bodies should as a matter of necessity, map out strategies and policies that would be of enormous help to strengthen Nigeria's economy as well as ensuring the implementation of the mapped out strategies and polices. By so doing, different sectors, institutions, and organizations will not experience recession in Nigeria.*

*Keywords: Economic Recession, Workers, Organization, Job Satisfaction, Effectiveness.*

**Introduction**

In any economy, a recession is a general recession. Economic recession is a period of universal financial setback and is usually followed with a drop within the stock market, rise in unemployment, and a decrease within the lodging market. For the most part, recession is

**NWOSU CHINEDU EVEREST PhD. AND IHEANACHO JULIANA IKWUKA PhD.**  
**EXPLORING THE IMPACT OF ECONOMIC RECESSION ON WORKERS JOB SATISFACTION.....**

---

less extreme than a depression and the fault for a recession by and large falls on the federal authority, frequently either the president himself, the head of the Federal Reserve, or the whole administration (Sultan, 2016). In another dimension, Koo (2009) maintained that, a country's economy ought to have the household division as net savers and the corporate division as net borrowers, with the government budget virtually adjusted and net exports close to zero. When these connections turn into imbalanced, recession can come up inside the nation or make force for recession. In another nation and procedural reactions are regularly planned to drive the economy back towards this superlative state of adjust.

Chatzopoulou, Vlachvei, and Monovasilis (2015), stressed that, considering the centrality of the negative effect of recession, the intrigued in understanding the part of a recession on job satisfaction and its commitment to the organizational reasonability is appropriate and relevant.

Similarly, Cho and Newhouse (2011) added that, understanding the impact of a recession on job satisfaction is fundamental to create viable procedures that offer assistance to governments and organizations to expect or indeed avoid negative impacts of future budgetary emergencies on job satisfaction. Koo (2009) highlighted that, economic hardships know no limits and boundaries during recession. Economic recession influences the source of income of everyone in one way or the other and this normally gives impulse to survival instinctual as individuals work assiduously and more viably to handle the latest financial substances and families with small or no buffers to stand firm to the impact of recession are most likely to be hit seriously.

According to Green (2011) economic downturn and stagnation are regularly seen as events for quickened changes in employment and manufacturing relations. Whether through imaginative pulverization or a move within the adjust of control, the chance may be taken to resume working strategies, connections and pay deals, with implications for both employers of labour and their workers. Green (2011) proceeded that, major financial crises are identified to create falls in common well-being which amplify ahead of those rendered automatically unemployed to the broader workforce who feel less protected and to their dependants. However, Irons (2003) narrated that, it is enticing to conclude that recession simply delay modern trade arrangement and over time deferred strategies will in the long run be carried out. For numerous unused businesses, there is a limited chance to keep moving. Impediment in one business implies that other businesses will be postponed thus making a swell impact over a broader extend of businesses.

According to Opeyemi (2008) older workers are likely to find it even more difficult to gain employment during financial and economic meltdown where job opportunities and unemployment rates are scarce and high. Thus, the older workers will be less tending to abscond from their present organization during the period of crisis. Similarly, Fapohunda (2012) stressed that economic recession has compounded the challenges faced by the manufacturing sector. For instance, in 2008 Dunlop Nigeria Plc. shut down its plants and lay off hundreds of its workers and put some others on half remuneration. Fapohunda (2012) stressed further that lately in the same year; about 5,000 workers were forced out of job in the textile sector. Recently, out of 753 workers in the Nigerian auto assembly company, Peugeot Automobile Nigeria (PAN), 565 were sacked and the remaining workers were placed on half salary.

Fapohunda (2012) continued that 300 staff lost their jobs in Cadbury Nigeria Plc., while massive layoffs have been carried out in the banking industry and it is still on-going.

### **Methodology**

In order to ascertain a conscientious work, this paper relied on secondary sources of data collection. Information was sourced from already published books, journal articles and conference papers that anchored on the phenomenon under investigation.

### **Theoretical Framework**

The Systems Theory is adopted as the theory suitable to guide this paper (theoretical framework). Systems Theory was first introduced by Ludwig Von Bertalanffy in (1951) and was introduced into the organizational setting by Katz and Khan in (1966). Systems theory is an approach to organizations which likens the enterprise to an organism with interdependent parts, each with its own specific function and interrelated responsibilities. The emphasis is that real systems are open to and interact with their environments, and it is possible to acquire new properties through emergence resulting in continual evolution (Ryan & Bohman, 1998).

The implication and relevance of the systems theory as it applies to this work is that, the world has turned into a globalized world and as a result of social change, there are emergent issues that emanate in our contemporary society especially in the underdeveloped and developing countries like Nigeria of which economic recession is among. The continuing survival of organizations depends on the interface and relationship between them and their workers as well as their external environment. Organizations should be obliged to carry out their functions tenaciously and judiciously through proper integration and co-ordination as well as continue to sustain its relationship with their workers by allowing them to take part in management decision making on the necessary measures that should be put in place to tackle the challenges of economic recession on organizations and by so doing, workers job satisfaction and increased organizational efficiency are actualized in the workplace. In addition, meetings, priority settings, operational standards, and instituting appropriate control mechanism, should be commonly adopted by workers and management as the techniques to sustain its relationship and work assiduously towards avoiding the effects of economic recession on organizational effectiveness.

### **Conceptual Clarifications**

#### **The Concept of Economic Recession**

According to Agri, Mailafia, and Umejiaku (2017), recession is a noteworthy setback in economic activity spread across the macro-economy lasting more than a few months, usually evident in real gross domestic product (RGDP), real income, employment, industrial production and wholesale-retail sale. Agri, Mailafia, and Umejiaku (2017) continued that due to recession the living standard of people, socio-political structures in Nigeria, credit condition in Nigeria, imports, production, employment, and consumption demand are highly influenced. Farayibi (2016) contends that economic recession is a time of general economic downturn for two or more uninterrupted quarters and is normally followed by a fall in the stock market, an increase in unemployment, and a setback in the housing market. In the event of economic recession, there is a shortfall in the country's gross domestic product (GDP) and GDP, is the market value of goods and services produced within a country in a given period of time.

**NWOSU CHINEDU EVEREST PhD. AND IHEANACHO JULIANA IKWUKA PhD.**  
**EXPLORING THE IMPACT OF ECONOMIC RECESSION ON WORKERS JOB SATISFACTION.....**

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According to Farayibi (2016), economic recession is a time of economic meltdown showcasing low output, illiquidity and unemployment. It is characterized by its length, abnormal increases in unemployment, falls in the availability of credit, shrinking output and investment, numerous bankruptcies, reduced amounts of trade and commerce, as well as highly volatile relative currency value fluctuations, mostly devaluations, financial crises and bank failure (Farayibi, 2016). In its own quest, the National Bureau of Statistics (2016) maintained that the Nigerian economy slid into full recession in the first quarter of 2016 with real GDP of -0.36 percent and this was just an official declaration of the situation the Nigeria masses have been battling with for quite some time. Shido-Ukwu (2017), pointed out that the tightening of economic activities resulted from disappearance of assurance and no latest investments, undue setback in government spending during the period, acrimonious legislative squabbles in approving budget, attrition in the worth of Nigerian currency in the international market, pipeline vandalisation, high interest rate and as well as trade and import restrictions.

### **The Concept of Job Satisfaction**

According to Lai-Wan (2007), satisfaction is an essential aim for any organization to reach. The satisfaction level of workers accrues into additional income to the organization when the satisfaction level of workers is on the increase. The displeasure of workers has unfavorable impact on competence and efficiency of the organization. Therefore, studying job satisfaction is one of the foremost noteworthy ranges of organizations setup. Spector (1997) opined that employee satisfaction or job satisfaction is how content or satisfied employees are with their jobs. Employee job satisfaction is connected with how people identify, think, and have feelings for their work. On the other hand, Judge and Hulin (1993) contend that employee satisfaction is positively correlated with motivation, job involvement, organizational citizenship behavior, organizational commitment, life satisfaction, mental health, and job performance, and negatively related to absenteeism, turnover, and perceived stress and identify it as the degree to which a person feels satisfied for his/her job. Job satisfaction entails doing the job one likes, and one being rewarded for handling his/her job performance efficiently (Aziri, 2011).

According to Karatepe, Uludag, Menevis, Hadzimehmedagic and Baddar (2006), job satisfaction is regarded as a set of encouraging or inauspicious feelings and emotions with which employees view their work. Employees feel more motivated to perform a task when they are able to make a choice. Higher job satisfaction is actualized when an employee is more motivated to perform and complete a task (Jalagat, 2016). Employee satisfaction is a degree of how cheerful employees are with their work and working environment. It is beyond any doubt that there may be numerous variables influencing the organization viability and one of them is employee satisfaction. Viable organizations ought to have a culture that energizes employee satisfaction (Bhatti and Qureshi, 2007). Workers who are exceptionally dedicated to their organization make sure an increased level of the service's or products' quality, upkeep, efficiency and create higher benefits. By so doing, workers have more than job satisfaction and are cheerful that they can deliver and are promoters of items and brands.

### **The Concept of Organizational Effectiveness**

Robins and Jude (2008) stressed that organizational effectiveness can be seen as the efficiency with which an organization is capable of meeting its objectives. This means an

organization that produces a preferred impact or an organization that is creative with no dissipates. Organizational efficiency encompasses an exceptional wide definition. Essentially, the practicability of an organization entails its' ability to carry out a work with model levels of input and output relationship. Zammuto (1982) cited in Tahsildari and Shahnai (2015), enmarked that there has been a refinement of thought on the most perfect way to characterize organizational adequacy together with characterizing it as the achievement of targets, purpose accomplishment without constraining strains on the definitive system, and as distant as assembly criteria put in place by the constituencies of an establishment. Organizations utilize organizational effectiveness to evaluate issues as well the relationship between workers execution and organizational advantage

According to Jain (2013), organizational adequacy involves how successful an organization is accomplishing the objectives it sets out to accomplish. It is ordinarily used to refer to purposeful fulfillment. In any organization, individuals and assets contribute essentially towards its adequacy. In truth, they make their affect in accomplishing organizational objectives. In their own reaction, Robbins and Jude (2013) contend that organizational effectiveness is the recognition of how compelling an organization is in accomplishing the results it intends to generate and the effectiveness with which an organization is able to meet its destinations. The most degree of organizational effectiveness for a business is measured with the level of yield or efficiency of an organization. Jain (2013) emphasized that a number of criteria have been utilized for measuring organizational effectiveness as well as efficiency, productivity, growth, development, objective agreement, moral values, quality of products and administrations, assurance of the workers, non-appearance and turnover, pay, supervision, work fulfillment, etc.

### **Impact of Economic Recession on Workers Job Satisfaction and Organizational Effectiveness in Nigeria**

According to Eneji, Dimis, and Umejiaku (2016) economic recession has serious negative as well as a few positive impacts on total financing exercises in Nigeria. It has contractionary impacts on total request and supply resulting into unstable stunts in financial exercises as well as shortage of foreign exchange, small cash, decreased revenue, and diminished funds accessible to family units and businesses in Nigeria. Similarly, Taiwo (2016) narrated that amid economic recession, unemployment is regularly on the increase as employers set up rightsizing approach and work misfortune destabilizes families. In addition, the impact of no source of wage to meet fundamental family needs and commitments, cause frictions among families which may harm family affairs. Due to shortfalls in availabilities of finance, little scale family business may misfortune readiness to require focal punts of developing openings amid economic recession, which may stunt commerce development altogether.

Greenhalgh and Rosenblatt (1984) pointed out that as economic downturn frequently comes about in job loss and may influence people's discernments on the consistency of their employers, work security gains significance and get to be exceedingly esteemed among workers. The obtainment of goods and services by people, family units and firms has racially diminished as a result of the economic recession. Eneji, Dimis, and Umejiaku (2016) maintained that due to economic meltdown, trade exercises are presently at the slow pace, there are employments misfortunes and increment in unemployment rate.

**NWOSU CHINEDU EVEREST PhD. AND IHEANACHO JULIANA IKWUKA PhD.**  
**EXPLORING THE IMPACT OF ECONOMIC RECESSION ON WORKERS JOB SATISFACTION.....**

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The decreased work is due to diminished deals in goods and services by trade proprietors, companies, road merchants, agriculturists, shop proprietors, retailers and wholesalers. Opeyemi (2008) observed that, there are cases of unemployment, retrenchments, downsizing and layoffs which served as signs to a vexed economy as a result of recession. People have no place to turn but reveling in offence and societal condemned exercises such militancy, progressed charge extortion, outfitted burglary, and our pioneers sit nearly defenseless.

According to Fapohunda (2012), due to economic meltdown, Asian stocks began to fall as well as several companies in Asia which are mostly financial companies, were also declared redundancies. The situation is not different from Europe where many factories and companies are folding up, sending more employed citizens into the already swollen labour market. The impact of the global financial crisis has sent chilly winds into corporate Nigeria. There is a season of job losses as the Nigerian economy is playing host to the visit of the economic slowdown. For instance, the manufacturing sector in the country is already affected by massive decline in capacity utilization resulting from high exchange rate of the Naira and congestion at the ports. The crisis has compounded the challenges faced by the manufacturing sector (Fapohunda, 2012).

Pilipiec, Groot and Pavlova (2020) stressed that apart from direct implication of a recession on job satisfaction, the association between recession and job satisfaction may be determined by the selection of workers, which may occur during a recession. During recession, less fulfilled employees may be more likely to become redundant. Also, industries where work fulfilment is lower may be more influenced by recession, driving to changes within the normal work fulfilment. In their own reaction, Huyse-Gaytandjieva, Groot, and Pavlova (2013) stressed that in a recession with high unemployment and little openings for work opportunities and mobility, holding one's employment gets to be more vital since workers may have no openings somewhere else and thus need to stay utilized at their current employers. The proceeded work may be that as it may result in counterproductive behaviors, and in case disillusioned workers may remain at the firm and this may be hurtful for the organization.

Adkins, Werbel, and Farh (2001) maintained that monetary and economic downturn has numerous effects for both organizations and individual workers. Beneath the talk of "doing more with less", the midpoint of organizations has been on decreasing costs. On a personal level, this may lead to sentiments of work uncertainty among workers. Adkins, Werbel, and Farh (2001) proceeded that work uncertainty, in turn, is found to be related to different work related demeanors, such as organizational commitment, work fulfillment, and aim to give up. More particularly, workers who see elective work openings are more likely to take off their organization in times of emergency. However, Eurofound (2012) stressed that financial and economic recession however has put expanded weight on payment of workers, coming about in measures such as pay control, pay solidifies or cuts. These are negative to inspirations within the workplace, which may cause the excellent employees to resign from their place of work. The financial crisis may conceivably diminish the training investments made by organizations but at the same time training openings may become a less critical perspective of a work to workers.

## **Conclusion**

The main objective of every organization is to actualize increased productivity and effectiveness and workers job satisfaction is actualized when they put in their best in order for the organizations to actualize their maximum satisfaction and in return, organizations respond by ensuring that workers receive their welfare packages. However, one of the major challenges bedevilling workers job satisfaction and organizational effectiveness in Nigeria is economic recession. During recession, organizational productivity and efficiency are badly affected and by so doing, workers are not always satisfied in their workplaces because their salaries and other welfare packages are equally affected.

### **Recommendations**

Based on the focal point 'the impact of economic recession on workers job satisfaction and organizational effectiveness in Nigeria', the paper considers the following recommendations apposite.

1. Government, non-governmental organizations and corporate bodies should as a matter of necessity, map out strategies and policies that would be of enormous help to strengthen Nigeria's economy as well as ensuring the implementation of the mapped out strategies and polices. By so doing, different sectors, institutions, and organizations will not experience recession in Nigeria.
2. Organizations in Nigeria should endeavour to appoint esteemed and distinguished professionals to occupy strategic positions as heads in their various units. By so doing, they would be able to exhibit their skills, values, knowledge, and wealth of experience in their work places in order to uplift organizational efficiency when ever economic recession arises in Nigeria.
3. For the fact that organizations in Nigeria are seriously hampered during recession, there is need for organizations to spread their tentacles and ensure increased productivity by equipping their employees with necessary training, skills, values, knowledge as well as having dedicated employees that are ready to work assiduously in order to prevent the organizations from being affected by recession.
4. Since recession can accrue to lack of payment of workers' salaries as at when due, short payment of salaries, and loose of jobs, workers should as a matter of necessity curtail their mode of expenses and be more creative or innovative by engaging in activities that would aid them in different endeavours so that the feelings and implications of recession will not affect them heavily whenever it arises in Nigeria.

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**NWOSU CHINEDU EVEREST PhD. AND IHEANACHO JULIANA IKWUKA PhD.**  
**EXPLORING THE IMPACT OF ECONOMIC RECESSION ON WORKERS JOB SATISFACTION.....**

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