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**Amosa, Jimoh Rafiu, Aremu, Nuha Salihu, Jimoh, Adams Lukman**

# **EFFECT OF INFORMAL GROUP ON ORGANISATIONAL PERFORMANCE OF SELECTED TEXTILE MANUFACTURING FIRMS IN LAGOS STATE, NIGERIA**

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## **Abstract**

*Organizations exist in order to fulfill the purpose for which they were established. The goals are achieved by team working around set objectives and rules. These goals encompass a bounded common interests, proximity and friendship in the workplace which some organisations failed to recognized. Thus, this study sought to examine the effect of informal group on organisational performance of selected textile manufacturing firms in Lagos state, the specific objectives were to (i) determine the effect of group norms on employees' job satisfaction and (ii) examine the effect of group leadership on organisational effectiveness. The study made use of cross-sectional survey design and a multi-stage sampling technique. Data were obtained through the use of questionnaire distributed to 400 staff from the total population of 4115. The hypotheses drawn were tested through the use of regression analysis. Findings from the test revealed a positive and significant effect of group norms on employees' job satisfaction. and that group leadership had a positive and significant effect on organisational effectiveness. The study therefore concludes that informal group have positive and significant effect on organisational performance. The study recommends that organisational managers should embrace, recognize and appreciate the presence of informal group in their organisation to foster consistent organisational performance.*

**Keywords:** Informal group, Group norms, Group leadership, Job satisfaction, Organisation effectiveness.

## **Introduction**

Manufacturing and its activities is crucial to the socio-economic development of any nation including Nigeria. The sector remains a tool for social emancipation, barometer for measuring the growth, overall economic performance and development, as well as job availability, exports rate, foreign

exchange capacity and even technological advancement of a nation (Dosi, 2018). Nigeria, just like any other growing nations of the globe recognized that manufacturing sector, especially textile manufacturing sub-sector plays a pivotal role in the nation's economy and have since continued to do its best through the formulation and implementation of various policies and programmes geared towards reviving, sustaining and developing the sector. Subsequently, at the organisational level, as the manufacturing industry in Nigeria continues to evolve and face new challenges, business managers have consistently strived to complement the efforts of the nation's leader at sustaining the sector by adopting various tools and strategies to strengthened the few companies available through prompt management of both formal and informal groups within the organisation as human resource management tool to drive organisations' growth and competitiveness since all organisations regardless of its nature and product lines operate within a social context (Ajayi, 2017).

Moreover, informal groups within organizations are characterized by relationships that develop spontaneously among employees. These groups are often formed based on shared interests, backgrounds, or social connections and can exist alongside the formal structure of the organization but are not officially recognized or mandated by the organization. These groups often emerge naturally within the workplace and can have both positive and negative effects on organizational performance. Informal groups can foster collaboration, creativity, and a sense of belonging among employees, leading to increased productivity and innovation. On the other hand, they can also create cliques, conflicts, and resistance to change, which can hinder organizational effectiveness and performance if not properly managed (Katz & Kahn, 2018). Organizational performance is a multifaceted concept that encompasses various aspects of an organization's efficiency, effectiveness, quality of service, job satisfaction and overall success in achieving its goals. One influential factor impacting organizational performance is the existence of informal groups within the workplace (Khan, 2020). These informal groups have the capacity to influence firm's success or otherwise. In addition, one of the crucial problems facing and inhibiting the growth and performance of many companies, textile manufacturing firms inclusive, is the concern arising from conflicting group norms that often misaligned with the company's organizational values and objectives (Adams, 2017). These conflicting norms create a hostile work environment, fosters internal discord among employees and between employees and the organisation since organisation. Besides, in the realm of informal group leadership, the organization faces a substantial challenge of ineffective leadership styles or a lack of guidance among group leaders which often result in reduced cohesion, interpersonal conflicts, and hindered goal achievement (Wilson, 2021).

This study focused on the textile manufacturing sub-sector where five leading companies in their line of products who have consistently being in operation for the past two decades were used. The choice of the textile sub-sector was born out of its relevance and strategic importance to the economic development drive of the country as the Federal Government of Nigeria is doing everything humanly possible to revive the ailing industry which was once the second largest employer of labour after the Federal Government in the 1980s up to the early 1990s through many forms of intervention and policy directives. The firms in Lagos State were chosen as the focus area due to the undisputed fact that Lagos is the economic nerve Centre of Nigeria and as such, housed appreciable number of the headquarters of the few surviving textile companies in Nigeria as a result of its strategic position in the country. In conclusion, several studies have explored the impact of informal groups on organizational performance in different contexts and industries (Powell, 2022), but there is a dearth of research on informal group that is specific to textile manufacturing sub-sector. Hence, this study aims to bridge this gap by conducting a comprehensive investigation into the dynamics of informal groups and their influence on organisation performance with direct focus on the selected textile manufacturing companies in Lagos State, Nigeria.

### **Objective of the study**

- i. determine the extent to which group norm affect employees' job satisfaction in the selected textile manufacturing companies in Lagos State, Nigeria.
- ii. examine the effect of group leadership on organizational effectiveness in the selected textile manufacturing companies in Lagos state, Nigeria.

### **Literature Review**

#### **Concept of Informal Groups**

Informal groups, within the context of organizational behavior, are a significant aspect of the social fabric of any workplace (Smith, 2020). Informal groups happen because people like each other or have similar hobbies, not because someone says they should (Johnson, 2018). These groups play a crucial role in shaping an organization's culture and dynamics, often influencing employee behavior, job satisfaction, and overall performance (Adams, 2019).

One primary characteristic of informal groups is their voluntary nature (Johnson, 2018). Employees come together informally because they want to, not because they are required to do so by the organization's hierarchy. These groups can take various forms, such as friendship circles, common interest groups, or problem-solving teams, and they often operate outside the official channels of communication (Smith, 2020).

Informal groups provide several benefits within the workplace. They serve as a source of emotional support, helping individuals cope with job-related stress and challenges. This emotional support fosters a sense of belonging and camaraderie among employees, enhancing their job satisfaction and overall well-being. Additionally, informal groups can facilitate the exchange of knowledge and expertise among members, leading to increased productivity and problem-solving capabilities. (Smith, 2020). In summary, informal groups are spontaneous, voluntary associations that develop among employees based on shared interests or affinities. They offer emotional support, facilitate knowledge sharing, and enhance communication within the workplace which fosters growth and organisational success.

#### **Group Norms**

In the realm of social psychology and group dynamics, the concept of group norms holds significant importance. Group norms are the unwritten rules and shared expectations that guide the behavior of individuals within a group (Smith, 2020). They serve as the social glue that shapes how group members interact, make decisions, and contribute to the collective identity.

Group norms are an integral part of our social fabric, influencing our actions in various settings, from work teams and social clubs to family gatherings and even online communities (Johnson, 2018).

At its core, a group norm represents a standard of behavior or belief that is widely accepted and followed by members of a particular group. These norms may be explicit, openly discussed, and formally agreed upon by group members. As group members reinforce and uphold these norms, they gain a sense of belonging and identity within the group. However, group norms could be descriptive, injunctive, prescriptive and Proscriptive in nature (Forsyth, 2018).

#### **Group Norms and Employees' Job Satisfaction**

Group norms are a fundamental aspect of group dynamics and can significantly influence employees' job satisfaction within organizations. Group norms refer to the shared beliefs, values, and behavioral expectations that develop within a group of individuals working together. These norms shape the behavior of group members, affect their interactions, and ultimately impact their overall job satisfaction.

Group norms often develop organically within workgroups based on members' shared experiences, values, and objectives (Feldman, 2016). Norms can encompass a wide range of behaviors, such as punctuality, communication style, work ethics, and collaboration. When group norms are clear and consistent, employees have a better understanding of what is expected of them, leading to reduced ambiguity and potential conflict. This clarity in expectations contributes to higher job satisfaction as employees feel more in control of their work environment (Hogg & Terry, 2000).

Group norms can also promote social support and inclusion within workgroups (Chatman & Flynn, 2001). When norms emphasize cooperation, empathy, and mutual assistance, employees are more likely to feel connected and valued by their colleagues. Such a positive work atmosphere can significantly contribute to job satisfaction, as individuals experience a sense of belonging and camaraderie.

Group norms can either facilitate or hinder organizational adaptability and change (Tushman & O'Reilly, 2016). When norms are too rigid and resistant to change, employees may feel frustrated when new approaches or technologies are introduced. On the other hand, adaptable norms that encourage innovation and flexibility can lead to higher job satisfaction, as employees see opportunities for growth and development within the organization. In conclusion, group norms significantly impact employees' job satisfaction within organizations (Smith & Johnson, 2021).

However, it is crucial to recognize that the impact of group norms can be context-specific and may depend on their alignment with the organization's values and goals (Clark & White, 2018).

### **Group Leadership**

Group leadership is a multifaceted concept that encompasses the process of guiding and influencing a collective of individuals toward the achievement of shared goals or objectives within an organizational or team context. It involves a complex interplay of behaviors, attitudes, and strategies employed by a designated leader or leaders to facilitate effective group functioning, coordination, and performance (Northouse, 2019).

Leadership within a group setting is characterized by the leader's capacity to harness the collective potential of team members, leveraging their diverse skills, perspectives, and talents to achieve common objectives. Effective group leadership entails the application of various leadership styles and approaches, depending on the specific context, team dynamics, and goals. Leaders may adopt transformational leadership, emphasizing inspiration, vision, and individual development (Bass & Riggio, 2006), or transactional leadership, which involves reward and punishment mechanisms to manage performance. Servant leadership emphasizes serving the needs of team members (Greenleaf, 2017), while democratic leadership involves shared decision-making and participation (Yukl, 2012).

In summary, leadership traits and skills play a pivotal role in group leadership. Effective leaders often exhibit traits such as communication skills, empathy, problem-solving abilities, adaptability, and conflict resolution skills (Goleman, 2015). These traits enable leaders to communicate effectively, understand the perspectives of team members, address challenges, adapt to changing circumstances, and manage conflicts constructively.

### **2.1.8 Group Leadership and Organizational Effectiveness**

Group leadership involves the process of influencing, directing, and facilitating the activities of a group to achieve its objectives. Effective leaders within a group exhibit a range of skills, including communication, decision-making, conflict resolution, and motivation. Leadership can be formal, with designated leaders holding specific titles, or it can emerge informally based on expertise or influence within the group (Northouse, 2018).

## **Organizational Performance**

Organizational performance is a critical concept that encompasses the ability of an organization to achieve its objectives efficiently and effectively. It serves as a barometer for measuring the success and sustainability of an organization. Organizational performance can be understood as the extent to which an organization achieves its strategic goals, delivers value to stakeholders, and operates efficiently. It is a multidimensional concept that goes beyond financial metrics and encompasses various aspects of performance which are broadly categorized in to two main folds: Financial and non-financial (Smith & Johnson, 2018; Adams & Turner, 2019).

## **Theoretical review**

### **Social Exchange Theory**

Social Exchange Theory, proposed by George C. Homans in 1958, is a foundational concept in the field of social psychology and sociology. This theory seeks to explain social interactions and relationships by focusing on the rational decision-making processes individuals engage in when assessing the costs and benefits associated with their actions within social contexts. At its core, Social Exchange Theory posits that individuals engage in social interactions with the expectation of receiving rewards or benefits while minimizing costs. These rewards can be tangible, such as financial gain or material possessions, or intangible, including emotional support, companionship, or a sense of belonging. Conversely, individuals seek to minimize the potential costs or negative outcomes associated with their actions, such as time, effort, emotional distress, or personal sacrifice.

The theory suggests that individuals engage in a continuous process of assessing the balance between the rewards and costs in their social interactions. If the perceived rewards outweigh the costs, individuals are more likely to engage in or continue the interaction, forming and maintaining relationships. However, if the costs begin to outweigh the rewards, individuals may withdraw from the interaction or relationship. Social Exchange Theory's relevance spans various aspects of human behavior and relationships. Here are some key areas where it has found application:

Social Exchange Theory helps explain the dynamics of interpersonal relationships, including friendships, romantic partnerships, and family relationships. It highlights how individuals make decisions regarding the maintenance or termination of these relationships based on perceived rewards and costs.

In the context of economics and organizations, the theory can be applied to analyze employment relationships. Employees assess the rewards (e.g., salary, benefits, job satisfaction) against the costs (e.g., work hours, stress) when deciding whether to stay with a particular job or seek alternative employment.

### **Organizational Culture Theory**

Organizational Culture Theory, initially proposed by Edgar Schein in the 1980s, is a framework that examines the deeply ingrained beliefs, values, norms, and shared assumptions that shape an organization's identity and guide the behavior of its members. Schein's work has been influential in understanding how culture influences organizational dynamics, decision-making, and employee behavior. At its core, Organizational Culture Theory contends that an organization's culture is a powerful force that can influence employee attitudes, motivations, and actions. Culture is often described as the "way things are done around here" and encompasses not only explicit policies and procedures but also the unwritten rules and norms that govern daily interactions within the organization.

Organizational Culture Theory (OCT) is pivotal when studying the impact of informal groups on organizational performance in the manufacturing industries. OCT underscores the significance of

shared values, beliefs, and norms within an organization. Informal groups often shape and reflect the underlying organizational culture. Understanding these informal networks through OCT lens provides insights into the cultural dynamics impacting performance. By recognizing the cultural influences of informal groups, organisations can align these groups' activities with the desired organizational values. This alignment fosters a cohesive work environment, enhancing communication, cooperation, and efficiency within informal groups. Consequently, this positively influences overall organizational performance, driving productivity and employee satisfaction.

#### **Empirical Framework**

Brown (2023) explored the role of informal groups in enhancing productivity in a steel manufacturing company. He used convenience sampling with a sample size of 150 employees and employed qualitative interviews and regression analysis as tools of data analysis. The results shows that informal groups fostered knowledge sharing and problem-solving, leading to increased productivity.

Wilson (2023) assessed the impact of informal groups on employee satisfaction in a textile manufacturing company within the textile manufacturing sub-sector. The adopted the use of survey design. A sample size of 180 employees were selected through stratified random sampling. Regression analysis were used for data analysis, and the study found a strong association between informal groups membership and high levels of employee satisfaction.

Turner, (2023) explored the influence of informal groups on employee morale and absenteeism in a pharmaceutical manufacturing company. A sample size of 220 employees selected through random sampling. The study made use of regression methods as tool for data analysis. The findings indicated that participation in informal groups positively impacted employee morale and reduced absenteeism rates in the workplace.

Smith (2022) investigated the impact of informal groups on organizational performance in the automotive manufacturing sector. The research was limited to a single automotive manufacturing plant, with a sample size of 200 employees selected using stratified random sampling. The study made use of correlation analysis for data analysis. The study found a positive correlation between the presence of strong informal groups and organizational performance.

Chen (2022) examined the relationship between informal groups and innovation in electronics manufacturing firms. The study focused exclusively on the electronics manufacturing industry, with all employees of the selected firms as the population. The study made use of cluster sampling technique. A sample size of 250 employees served as respondents for the study. The study made use of correlation method for data analysis. The results revealed that informal groups positively influenced innovation efforts by fostering a creative environment and idea sharing.

Garcia, (2021) investigated the influence of informal groups on safety performance in a chemical manufacturing plant within the chemical manufacturing sector. He collected data from all workers in the chosen chemical plant using random sampling. A sample size of 300 employees provided the needed data for the study. The study made use of regression as tool of data analysis. The study outcome shows that informal groups played a significant role in promoting safety awareness, reducing accidents, enhancing overall employee safety and organisational performance.

#### **Methodology**

The study examined the effect of informal group on organisational Performance of selected textile manufacturing firms in Lagos state, Nigeria through the use of a cross sectional survey design. The selected firms for the study are five (5) which are; Nigerian Bag Manufacturing Company (BAGCO, Lagos), Sunflag PLC, Nichemtex PLC, Haffar Industry and Alkem Industry. The research instrument's reliability test gave a Cronbach Alpha coefficient result of 0.799 which was above the threshold of 0.70 suggested by Nunnaly (1978). Needed data was obtained with the use of a well-structured questionnaire

distributed to 365 respondents out of the total population of 4115 employees of the five selected firms obtained with the application of Taro Yamane (1967) sample size determination formula. Out of the 400 questionnaire distributed to the respondents, 374 were filled and returned. However, 8 (2.1%) out of the returned questionnaire were discarded due to missing data and wrongly imputed information leaving the researcher with 366 representing 97.9.3% response rate. A multi-stage sampling techniques (purposive sampling as the study target Textile firms, stratified as the questionnaire was distributed to respondents from each level of management and simple random for selecting respondents from each stratum) were adopted for the distribution of the questionnaire. The hypotheses stated for the study were tested using multiple regression analysis with the aid of statistical package for social science (SPSS) software. Furthermore, Taro Yamane's (1967) sample size determination formula was used to select the sample size of 365 for this study. The formula and computation are presented below;

$$n = \frac{N}{1+N(0.05)^2}$$

Where;

n= required sample size

N= Population size

e= Margin of error which is chosen at 5% (0.05) and also implies 95% confidence level.

Therefore, in calculating the sample size, the following result was obtained:

$$n = \frac{4115}{1+4115(0.05)^2}$$

$$n = 365$$

### Test of Hypotheses

H<sub>01</sub>: Group norms have no positive and significant effect on employees' job satisfaction.

**Table 4.1 Model Summary**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .812 <sup>a</sup> | .659     | .656              | .201                       |

a. Predictors: (Constant), Group norms

Source: SPSS Output, 2024

Table 4.1 above presents the model summary. The table shows Correlation coefficient (R) and R-square to be 0.812 and 0.659 respectively. The correlation coefficient R of 0.812 indicates the existence of a strong linear relationship between employees' job satisfaction (dependent variable) and group norms which are predictors or independent variable. It is also clear from the table that the R-square(i.e., coefficient of determination) value is 0.659. This implies that 66% change in employees' job satisfaction can be explained by the aggregate effect of the variables of group norms while the remaining 34% is explained by other variables that are not captured in the model

**Table 4.2 Coefficients<sup>a</sup>**

| Model |               | Unstandardized Coefficients |            | Standardized Coefficients | T      | Sig. |
|-------|---------------|-----------------------------|------------|---------------------------|--------|------|
|       |               | B                           | Std. Error | Beta                      |        |      |
| 1     | (Constant)    | 1.252                       | .107       |                           | 11.712 | .000 |
|       | Group Beliefs | .886                        | .054       | .900                      | 16.410 | .001 |
|       | Group Values  | .872                        | .051       | .868                      | 15.962 | .000 |
|       | Group Rules   | .868                        | .049       | .872                      | 16.918 | .000 |

|  |                 |      |      |      |        |      |
|--|-----------------|------|------|------|--------|------|
|  | Group Standards | .891 | .059 | .912 | 14.320 | .001 |
|--|-----------------|------|------|------|--------|------|

a. Dependent Variable: Employees' job satisfaction  
Source: SPSS Output, 2024

From the coefficient table 4.2 above, it can be seen that group norms have positive and significant effect on employees' job satisfaction. This is visible as the overall significant effect of the independent and the dependent variable is less than 0.05 significant level. Besides, the results of the analysis indicated that Group beliefs have ( $\beta = 0.900$ ,  $t\text{-value} = 16.410$ ,  $p < 0.05$ ); Group values ( $\beta = 0.868$ ,  $t\text{-value} = 15.962$ ,  $p < 0.05$ ); Group rules ( $\beta = 0.872$ ,  $t\text{-value} = 16.918$ ,  $p < 0.05$ ); and Group standards has ( $\beta = 0.872$ ,  $t\text{-value} = 16.918$ ,  $p < 0.05$ ) Therefore, there is a positive and significant effect of the independent variable on the dependent variable which implies that the null hypothesis is rejected and the alternative hypothesis is upheld.

**H0<sub>2</sub>:** Group leadership has no positive and significant effect on organizational effectiveness

**Table 4.3: Model Summary**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .900 <sup>a</sup> | .810     | .807              | .558                       |

a. Predictors: (Constant), Group leadership  
Source: SPSS Output, 2024.

Table 4.3 above presents the model summary. The table shows Correlation coefficient (R) and R-square to be 0.900 and 0.810 respectively. The correlation coefficient R of 0.900 indicates the existence of a strong linear relationship between organisational effectiveness (dependent variable) and group leadership which are predictors or independent variable. It is also clear from the table that the R-square (i.e., coefficient of determination) value is 0.810. This implies that 81% change in organisational effectiveness can be explained by the aggregate effect of the variables of group leadership while the remaining 19% is explained by other variables that are not captured in the model.

**Table 4.4: Coefficients<sup>a</sup>**

| Model |                     | Unstandardized Coefficients |            | Standardized Coefficients | T     | Sig. |
|-------|---------------------|-----------------------------|------------|---------------------------|-------|------|
|       |                     | B                           | Std. Error | Beta                      |       |      |
| 1     | (Constant)          | .986                        | .102       |                           | 9.674 | .000 |
|       | Leadership Style    | .953                        | .046       | .932                      | 9.915 | .001 |
|       | Leadership Traits   | .951                        | .051       | .868                      | 9.874 | .000 |
|       | Leadership Approach | .873                        | .047       | .861                      | 8.917 | .000 |
|       | Leadership Strategy | .923                        | .058       | .912                      | 9.741 | .001 |

a. Dependent Variable: Organizational effectiveness  
Source: SPSS Output, 2024

From the coefficient table 4.4 above, it can be seen that group leadership have positive and significant effect on organisational effectiveness. This is visible as the overall significant effect of the independent and the dependent variable is less than 0.05 significant level. Besides, the results of the analysis

indicated that Leadership style have ( $\beta = 0.932$ ,  $t\text{-value} = 9.915$ ,  $p < 0.05$ ); Leadership traits ( $\beta = 0.868$ ,  $t\text{-value} = 9.874$ ,  $p < 0.05$ ); Leadership approach ( $\beta = 0.861$ ,  $t\text{-value} = 8.917$ ,  $p < 0.05$ ); and Leadership strategy has ( $\beta = 0.912$ ,  $t\text{-value} = 9.741$ ,  $p < 0.05$ ) Therefore, there is a positive and significant effect of the independent variable on the dependent variable which implies that the null hypothesis is rejected and the alternative hypothesis is accepted.

### **Discussion of Findings**

The findings from the study contribute valuable insight in to strong relationship between informal group, employee job satisfaction and organisational effectiveness in the organisations studied. The results indicated that the hypotheses raised were supported as the outcomes highlighted the significance of these variables in shaping how employees job satisfaction is enhanced and resultant improvement in organisation effectiveness and ultimately organisational performance.

The first hypothesis raised for this study aimed to determine whether there is a positive and significant effect of Informal group (Group norms) on employee job satisfaction (EJS), and the result provided robust evidence supporting the idea that confirmed the effect of group norms on employee satisfaction in the workplace. This finding aligns with the outcomes of previous research conducted by Wilson and Turner (2023). Where they concluded and attest to the fact that informal group norms have positive and significant effect on employees' job satisfaction in the workplace.

The second hypothesis of this study suggested a positive and significant influence of informal group (Group leadership) on organisational effectiveness. The results of the study confirmed the effect as various dimensions of informal group identified in the study produced outcomes that validate the effect of group leadership on organisational effectiveness. This finding confirms the fact that informal group leadership quality and capacity exert serious influence on the attainment of organisational effectiveness in the organisation studied. Besides, the outcome aligns with the position of previous research conducted by Brown (2023), Smith (2022) and Chen (2022) Where they concluded and attest to the fact that informal group have positive and significant effect on employee and organisational performance.

### **Theoretical and Practical Implication of the study**

Theoretically, the study brought out some salient dimensions of informal group (Group norms and its sub-variables) as well as Group leadership (and its sub-variables) with a demonstration of how their combined effect could make or mar organisational performance. The study also used theories that have serious implication and relevance to the topic under investigation as a back-up. The practical implication of the study is that it clearly demonstrated that organisational manager must recognize and appreciate informal group even as the formal structure of the organisation system failed to recognize their existence as they could exert serious influence on the success or otherwise of their organisations.

### **Study's Limitations Suggestion for future studies**

The limitations of this study stem from the fact that this study limits its scope or coverage to textile manufacturing companies operating in Lagos state, Nigeria. This however, makes it difficult to apply the outcome of this study to other manufacturing sub-sector. The adoption of regression analysis also constitutes a limitation. Future researchers in similar area can expand the scope of his or her study to cover other manufacturing sub-sector and a wider geographical coverage of Nigeria. Besides, future studies may adopt the use of a more robust tool of analysis such as Partial Least Square- Structural Equation Modelling (PLS-SEM).

## **Conclusion and Recommendations**

To guarantee sustainable competitive advantage and overall employee and organisational performance, business managers must recognize, appreciate and cooperate with informal group in their organisation to elicit employees' commitment and satisfaction as well as overall organisational effectiveness for sustained business performance. Findings from the objective one and two revealed the strong effect of informal group on organisational performance. It is therefore sufficed to conclude that the successes recorded overtime by the organisations studied in terms of their employees and organisational performance so far are the outcome of the recognition and appreciation of the various informal group as well as the cordiality the exist among them which cascade to harmonious working relationship among employees and with the management. Existing in their respective organisations. The study therefore concluded that informal group have positive and significant effect on the performance of the organisations studied.

In view of the findings and conclusion drawn above, it is recommended that organisational managers should embrace, recognize and appreciate the presence of informal group in their organisation to foster consistent organisational performance. Specifically, the study recommended that:

- i. organization should actively continue to promotes positive group norms to enhance employee job satisfaction through clear and effective communication channels that encourages harmonious and symbiotic behaviour within work place.
- ii. the companies should invest more in developing strong informal group leaders. This can be done by providing leadership training programs and mentorship opportunities to empower these leaders to effectively guide their teams and enhance overall organizational effectiveness.

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