



Babcock Journal of Management and Social Sciences

Volume 1, Number 1, September, 2002

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This Maiden Edition of Babcock Journal of Management and Social Sciences (BJMASS) marks a step forward in filling the gaps created by the dearth of publications and media for the promotion of scholarship and dissemination of ideas. The "Publish or Perish syndrome" sensitizes academics of the inherent stagnation and frustration which must be removed from academic life in our university system. The Journal seeks to avail academics who are desirous of achieving this, an opportunity to do so.

BJMASS therefore aims at furthering the following objectives:

- Contributing to the existing pool of academic knowledge and skills needed for addressing the threats and weaknesses of Nigeria's socio-political and economic system;
- Provision of strategic knowledge needed for improving the socio-political and economic status of Nigeria in the 21st century; and

- Provision of workable concepts for accelerating the socio-political and economic development of Nigeria.

While the publishers essentially catch the vision of the founding fathers of Babcock University, it is to be noted that views and opinions expressed in the Journal are personal to the contributors and do not represent those of the University.

It will be the policy of the publishers to accept articles spanning contemporary management and socio-political-economic systems, for publication biannually by the Faculty of Management and Social Sciences, Babcock University, Ilishan-Remo, Ogun State.

The Journal has a team of seasoned, high profile editorial advisers and consultant. Publishers will ensure that only articles which meet laid down criteria are published.

That the Journal meets the aspirations and wishes of all stakeholders and relevant publics, is the sincere wish of the publishers.

Gabriel K. Afolabi
 Editor-in-Chief

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An Empirical Study Of A Manufacturing Firm's Capital Structure The 7up Bottling Company Experience

S. A. Adebola

The concept of "Cost of Capital" is a fundamental and crucial factor in the financial management of a company, whether the problem is one of evaluating a capital investment proposal, solving a short-term liquidity difficulty, or shaping the long-term financial structure of the company. However, an enduring controversy among practitioners and academics of financial theory concerns the effect of financial leverage, or gearing ratio, on the overall cost of capital, stock price, and market value of a firm. A further issue of controversy is the perception, generally among financial practitioners, that the concept of an optimal composite cost of capital is only an academic exercise, as it is not easily or practically computed. Recent publications apparently indicate that these controversies still persist. Hence the relevance of this contribution.

This paper examines this issue, using the 7-up Bottling company (Nig) Plc, as a case study. The study methodology was essentially one of desk research, adopting a research typology of the accumulation, analysis and evaluation of published data in respect of the financial structure of the said firm within the period 1997 to 2001.

The graphical and statistical χ^2 test method were employed for the data analysis.

The paper concludes with an affirmation of the Net Income/Dependent Theory, that the company's financial leverage does actually have effect on its composite cost of capital, market value and stock market price. In the specific case of 7-up Bottling company, at the material time of the study a leverage of 50% was found to be most suited as optimal capital structure, while the gearing ratio of 34% was discovered to be the leverage that gave the company its highest cost of capital, and the least market value.

The paper went on to argue that the strength and significance of the impact of a firm's leverage on its composite cost of capital and market value is not static, but that it is actually a dynamic factor of financial management, as it changes from time to time.

Introduction

The financial structure of a firm refers to the way the firm's assets are financed. The modes of asset financing are usually through short-term debts, long term debts, and shareholders' equity. It would be noted that shareholders' equity is generally taken to include share capital and retained earnings. However, the capital structure of a firm refers to the firm's financing, as represented by long-term debt, share capital, and retained earnings.

The issue of cost of capital for a firm is a most crucial factor in finance decision making. Its importance and overall relevance cannot be overemphasized for a practitioner of business administration. The more marginal an investment decision is, the more important it is for the firm to have the required prerequisites for the measurement of the relevant cost of capital, at least in providing the firm's management with a meaningful capital cost assessment.

The firm's cost of capital can be defined as the rate of return that a company must earn on an investment that will be just sufficient to maintain the value of the business.

The maximisation of profits by a company over time generally implies growths

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Strengthening Employer And Employee Relationship: A Public Relations Perspective.

J. Adepoju Tejumaiye

"Treating people (not money and machines) as the natural resource may be the key to it all" (Peters and Waterman, 1982). This assertion paints vividly the all important roles employees play in an organization. Cutlip et al. (1985) said thus, "no organizational relationships are important as those with employees at all levels". They continued that the day-to-day working relationship involves a great deal of contact, but effective communication depends on satisfactory employee relations built on a climate of trust. Communication must be viewed as the key source of leadership. That management/ chief executive must establish the right atmosphere and the communication program must be underwritten by policy. It is however incontestable that just as the employer cannot afford to trifle with the employees, the employees as well, need the employer. The relationship between them can be described as partners in progress.

This paper examines the constructs employer and employee relationship, towards establishing the indispensability of each one to the existence and survival of the other. The paper explores the goals of employee relations, the stages involved and most importantly, strategies and tactics to strengthen it particularly in these days of constant disagreement between employers and employees. The author however engages in this discussion from the standpoint of public relations.

The Nature Of Employer/Employee Relations.

Employee relations is part of a company's total public relations plan which aims at creating mutual understanding and support between employer and employees leading to efficient and effective operation of an organization. Employee relations are the heart of any enterprise. This is so because satisfied employees create satisfied customers. This argument is premised on that without satisfied customers, no enterprise/organization can talk about profitability, either monetarily or by way of goodwill.

The employees are part of the publics of an organization. And of course, the publics of such organization can determine the success or failure of an organization. Employees' public is heterogeneous. They are divisible into: management employee, supervisory employees, clerical employees, professional employees, casual workers/employees, young employees, old employees. There are also groups of employees joined by common bond, interest, affinity, age, beliefs, attitudes and languages. The varieties of employees make how to communicate with them an uphill task albeit not an insurmountable task.

Ironically, computerization has greatly accelerated automation in everything from accounting to even the smallest factory work. Computer-guided robots have relieved workers from some dangerous tasks, but have also threatened to replace more workers from their means of livelihood. Robotics has become the order of the day, but in the final analysis, people (not computers) make the difference between organizational success and failure.

Every organization is made up of task units notwithstanding the level of automation and computerization with production or service responsibilities related to the overall

mission. Even with computerization and automation of factories, this has not precluded paying attention to personal satisfaction and social relationships of employees. The fact that each task unit is also a social unit that must meet the human needs of the individuals accomplishing the work is not contestable. The employees group themselves are part of a larger social unit the organisation. This social units comprises of a mix of relationship that ranges from face to face to distant and mediated, from simple to complex from peer to peer to subordinate, to superior, and from supportive and friendly, to hostile and competitive. All these admixture of relationships no doubt affect work relationship just as employee's relationships with family, neighbours and others in the community. This assertion brings to the force the fact that manager, who mistakenly views the organization as a closed system, ignores at great risk the reality that employees live much of their lives outside the organization.

Besides, viewing an organization as a closed system rather as an open system is dangerous because it will lead to a situation of disintegration eventually. This will be as a result of the system not taking in new matter, energy or information. Cutlip et.al. (1985) concluded that the extent to which a system is closed is an indication of its insensitivity to its environment. Once a system-mechanical, organic, and social-is insensitive to its environment, or sensitive to few items/phenomenon in its environment and ignores other, the result will be the same catastrophic. Observing the success of open system in organizations, Peters and Waterman (1982) concluded, "Innovative companies are especially adroit at continually responding to change of any sort in their environments".

The nature of employer and employee relations is such a volatile one that it requires being adroit to manage. Just as Beer (1987) has said, "managing corporate transformations ultimately means changing behaviour and culture". The obvious however needs stated that not only managing corporate transformations require changing behaviour but also evolving and maintaining organizational culture.

The volatility of the employer/employee relationship is a function of the socio-economic life, which constantly changes due to forces in the social, economic and political environment. Sometimes these forces make the ideal and the reality appear incompatible, or sometimes unattainable. For instance, the apparent conflict between satisfying the needs of employees and the success of the enterprise. The employers aim is to maximize the value of output against cost of input, including the money paid out in employees' salaries and office facilities. For employees, satisfaction means personal status and maximum participation in the enterprise. Participation to the employees means getting the highest possible reward in the form of money and other benefits commensurate with skills, time and efforts contributed to the enterprise. At some point, the amount of resources devoted to satisfying employees' needs reaches a point of diminishing returns in terms of value produced and ultimately organisational success. Balancing the needs for employees' satisfaction with the success of the enterprise is but one pivotal aspect in the continuous adjustment and reconciliation of the employer/employee relationships.

Silver (1967) wrote that the great problems in the adjustment and reconciliation of employer/employee relationship, and a cause of frequent grievance, are not the unfairness of employer actions, but the inexplicability. He added that it is ironic that in over-communicative, societal communication breakdown frequently occurs. Even in corporations where internal communication networks are the lifeblood of their activity decisions are sometimes made without adequate explanation. Cutlip et.al. (1985) concluded that what Silver (1967) said about corporations applies with equal validity to universities, government agencies, labour unions and other organizations. Paul Blake

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(1983) asserted thus, "the two types of organizations that have the worst employee communications are hospitals and universities. It can almost be said that they treat their employees with contempt," he concluded.

Goldhaber et al (1978) summarized the findings of numerous organizational communication audits thus:

- i. Most employees neither receive nor have the opportunity to send a great deal of information. Their primary need is for information related to their jobs. Most want to receive more information, rather than send more information.
- ii. The higher up the hierarchy information is sent, the less the response.
- iii. The employee's best source of information is the immediate supervisor
- iv. The lowest quality of information is from top management, thus reducing the quality of information from all sources.
- v. Employees get more information than they would prefer from the grapevine. They perceive it as a fast, but not accurate, source of information.
- vi. There is a need for more face-to-face meetings with top managers.
- vii. Employees generally enjoy good communication relationships with their immediate supervisors and co-workers, but they find that the communication climate in the total organization limits openness, lacks incentives, minimizes input, and offers few opportunities to influence decisions.
- viii. Whereas most are satisfied with their jobs, employees are not optimistic about their future with the organization. This feeling is more related to communication problems and lack of feedback and opportunities to participate in decisions making.

Goals Of Employee Relations/Organisational Culture.

An ideal working relationship is characterized by seven conditions (Cutlip et al 1985). They are:

- i. Confidence and trust between employer and employees
- ii. Candid information flowing freely up, down and sideways
- iii. Satisfying status and participation for each person
- iv. Continuity of work without strife
- v. Healthful surroundings
- vi. Success for the enterprise
- vii. Optimism about the future.

These conditions are however tampered by forces at work in the social, economic and political environment and thus made them unattainable. This assertion notwithstanding, employers should spare no efforts to ensure that the above named seven conditions among others are present in the working interconnectivities of their employees. These become indispensable because these seven conditions among others influence the organizational culture. Once the organizational culture is positive i.e. employer and employees are able to understand the standpoint of each other, and then the likelihood of conflict is greatly reduced.

Organizational culture is the way of doing things and communicating those ways to newcomers and each other in the organization through indoctrination publications like pamphlets, manuals, books/booklet, brochures, journal: internal, and speech etc. Glaringly, employee communication specialists are key actors in determining and

transmitting the culture of their organizations. According to Deal and Kennedy (1982), the elements of organizational culture include:

- i. Organisational environment - external demands that determine what the organization must do to be successful.
- ii. Values concept and beliefs within the organization that defines success and establish achievement standards
- iii. Heroes people who are held up as personifications of organizational values and serve as role models for others.
- iv. Rite and Rituals programmed and routine behaviour in the day-to-day work, and the ceremonies that spell out what is expected of employees.
- v. Cultural network the hidden hierarchy of power that includes the storytellers, spies and rumor monger often used to get things done or to transmit information and values-the informal structure.

They concluded that it is through this element of organizational culture that people learn how to behave in the organization and also develop feelings and attitudes about what they do.

Organizational culture can be inferred from what people say, do and think within an organizational setting. It involves the learning and transmitting of knowledge, beliefs and patterns of behaviour over a period of time. This translates to mean that an organisational culture is fairly stable and does not change fast (B.L Lital 1983). Organizational culture sets the tone for the organization and establishes implied rules for the way people should behave. (Deal and Kennedy 1982). The effectiveness of organization is also influenced by the organizational culture which affects the way the managerial functions of planning, organizing, staffing, leading, and controlling are carried out (Wehrich and Koontz 1994). The role (influence of leaders) of managers in creating organizational culture and maintenance of it is immense. Their values influence the direction of the enterprise.

Yosh Wiener (1988) captured it thus "value driven corporate leaders serve as role models, set the standards for performance, motivate employees, make the company/organization special, and are a symbol to the external environment". Wehrich and Koontz (1994) tabular illustration of organizational culture and management practical reproduced below summarized it. Given the choice, most people would probably prefer to work in an organization such as environment B unlike environment A.

Table 1: Illustrations of Organisation Culture and Management Practice

Environment A	Environment B
Planning	
Goals are set in an autocratic Manner.	Goals are set with a great deal of Participation.
Decision-making is centralized.	Decision-making is decentralized.
Organising	
Authority is centralized.	Authority is decentralized.
Authority is narrowly defined	Authority is broadly defined

Staffing

People are selected on the basis of Friendship Training is a narrowly defined Specialty.	People are selected on the basis of performance criteria. Training is in many functional Areas.
Managers exercise directive Leadership. Communication flow is primarily Top-down.	Managers practice participative Leadership. Communication flow is top-down, bottom-up, horizontal and diagonal.
Superior exercises strict control. Focus is on financial criteria.	Individuals exercise a great deal Self-control. Focus is on multiple criteria.

SOURCE: Weirich and Koontz (1994 page 334).

Stages Of Employee Relations/Employee Communications

There are four stages of employee relations. (Cutlip et.al 1985). They are:

- The start
- The work
- The rewards and recognition
- The termination or work interruption

Each of these stages requires different medium of employee communications. However, one fundamentally positive fact is that communication in all four phases establishes the relationship between the organization and its employee publics, build and transmits the organizational culture, and contributes to achieving the goals of employee communication, which are:

- To create among all hands an awareness of the organisation's basic operations problems, and goals.
- To keep all hands informed on significant development that affects the organization and the employees.
- To increase the effectiveness of all hands as ambassadors on and off the job.
- To solicit and encourage employees input for improving operations
- To satisfy employees desire to be kept informed and to participate in the organization.

To achieve these goals, an open, frank and two-way flow of communication at all levels is sine-qua-non. Furthermore, realization of these goals MUST be planned, i.e. it is a deliberate undertaking and cannot be left to chance or to the informal network in an organization. Communicating with employees avoids the six fundamental problems identified by Harvard Professor, Daniel Quinn Mills, thus:

- Employer dictates to employee too much and listens too little.
- Too little of what is communicated is understood
- Too much of the content is of concern to employer but not to workers

iv. Too much propaganda is communicated

v. There is too little candor

vi. Communication bears too little relation to the possibility of change "They hear you.... But They are not listening". (J. Aillo, 1983 page 19-21)

The indispensability of communication to life/existence cannot be debated. As one scholar succinctly puts it "we live to communicate, and we communicate to live: It is factual that the day we cease to communicate is the day we give up the ghost. Since an organization comprises human being who is unified by one purpose to work and earn a decent living they just cannot afford to communicate with and among themselves. Employee communication is one of such ways employees communicate with and among themselves as well as management/employer communicate with employees. Cutlip et.al (1985). Captured it thus, "As part of the larger public relations function, the goals of employee communication are to identify, establish, and maintain mutually beneficial relationships between organisation and the employees on whom its success or failure depends". Below is a list of information employees want from employee communications:

Table 2: Information Employees Want From Employee Communication

Subject	Percent "Very Interested" of "Interested"
1 Organisational plans for the future	95%
2 Productivity Improvement	90%
3 Personal Policies and practice	90%
4 Job related information	89%
5 Job Advancement Opportunities	88%
6 Effects of external events on my job	88%
7 How my job fits into the organisation	85%
8 Operations outside of my department or division	85%
9 How are we doing versus the competition	83%
10 Personnel changes and promotions	81%
11 Organisational community involvement	81%
12 Organisational stand on current issues	80%
13 How the organisation uses its profits	78%
14 Advertising/promotional plans	77%
15 Financial results	76%
16 Human interest stories about other employees	70%
17 Personal news (Birthdays, Weddings etc.)	57%

Source: Cutlip et.al (1985 page 31) Albeit, effective employee communication is involved in all four phases of employment.

THE START -This is the stage in which recruitment advertising, interviews, orientation pamphlets, and meetings are used to attract, select, and indoctrinate new employees. This is the stage in which prospective employees are known and are made to be proud to belong to a family. This stage requires care and tact because the new employee can easily lose confidence in the organization just as he/she can easily really be proud to be

a part of a winning team and a family. This stage requires adequate, relevant and up to date instructions and guides, which should be given by trained people, in most cases, by those in charge of the employee communications of the organization. Cards should be laid on the tables open, and not open-closed, closed open, nor by performing abracadabra. It should be remembered that first impressions last. During interview, the interviewers should be trained on how to talk to elicit desire response from those to be interviewed. They should also comport themselves and made to know that they are the first contact the prospective employees will have with the organization.

Whatever is being done at this stage should be directed at making the new employee happy and proud, but the cards must be laid open, not open-close, nor closed-open.

THE WORK Here many face-to-face and mediated communications provide instructions, news, and job-related information. At this stage, the employees want to know his line of duty, his limitations, and his power cum authority upwards, downwards and sideways. He wants to know to what extent he can act without taking instruction from the superior officers. This stage requires being adequately briefed on the aforementioned areas by the head of the department of the new employee. The new employee at this stage wants to be extremely careful else he is said not to perform, thus he needs the aforementioned. The employee wants to know to what extent in his duties he can spend his money and get it back. His main concern here is information that can assist him to effectively perform his duties.

THE REWARDS AND RECOGNITION. This involves announcement publicity and special events concerning compensation, promotions, benefit programs, special events, and award winners. Communication at this stage is directed at making the employees see that the organization believes in democracy and will duly reward its dedicated members of staff, just as catering for the immediate family of members of staff. Some of the things done by employer at this stage are:

- i. Recognition for long service awards
- ii. Recognition for performing a feat example making the organization proud by winning national, state or international awards, professional awards, industry awards or even assisting the organization in coming up with effective ways to improve its products and services and yet maintaining quality. It may also be recognition for excellence associated with the promotion of academic excellence or a break through in research.
- iii. Assistance rendered by the employer to members of staff, who are in need, such as members of staff whose father or mother died or whose relation died, or gave birth to twins, triplets, quadruplets, etc.
- iv. Assistance rendered to members of staff for improving themselves academically i.e. for higher degrees
- v. Benefit programs such as allowance; yearly and sabbatical leave etc.

THE TERMINATION OR WORK INTERRUPTION

Whether caused by layoff, strike, sit in, breakdown of equipment, disaster, elimination of positions, or dismissals of individuals. Yes! Employees should still be communicated. At this level, whether the parting of ways is peaceful or otherwise, there should still be a way or ways to communicate. Communication at this level establishes the prima facie case for parting of ways as well as spell out conditions or terms involved. The employer should be careful at this stage; else he is taken to the law court or the court of

public opinion. The employee also must as of necessity avoid those things that could lead him into trouble, which should be codified in employee's handbook.

RANGE OF MEDIA AND TECHNIQUES IN EMPLOYEE COMMUNICATIONS.

The number of communication media to use in employee communication is immense. Organizations probably will use only those few methods, which suit it best. Besides, much is a function of the nature of the organization, its kind and range of personnel, and the location of the work place. Apparently, a supermarket store is very compact relative to a multinational company, just as a one-man small enterprise cannot be compared with a university with its various faculties and departments. The range of media and methods is outlined below.

Notice board: This can be placed at vantage points throughout the organization so that everybody is given the same information at the same time. Items may be printed in poster fashion and attached to the boards or the board may consist of sections or clips for each type of news item. No other items should be fixed to these boards. Ideally, items, for notice boards should be given to a controller, example, the public relations officer who reproduces the items in an attractive form and is responsible for positioning them. Only this person or his representative should be allowed to place items on the notice boards. The items placed should not be allowed to over-stay, probably, items placed should not exceed three to four days. This is to prevent a situation where the personnel will develop a disinterested attitude towards the notice board owing to constantly seeing the same thing often on the notice boards.

- ii. Ideas box: - Boxes are placed at strategic points throughout the premises and staff are invited to place ideas, complaints or comments in the box. Members of staff should be encouraged to do this by not writing their names on whatever is being dropped in the boxes. This will encourage them to voice their minds without fear or favour.
- iii. Work Council and Committees: It has been proved in Europe that strikes rarely, if ever happen in companies, which have workers' directors on the board, work councils and committee (Frank Jenkins 1998: 136). The idea is that where worker participation or involvement is allowed, the employees know and understand what is going on. They can influence the management of the organization and are unlikely to kill the cow that gives the milk.
- iv. Induction Literature: Like books, booklet, pamphlets, brochures, leaflets etc. Their aim is to influence employees both old and new. They contain the story of the organization how it works, employment policies in the areas of how to be promoted, sacked, benefits and employments, policy concerning annual leave, sabbatical leave in the case of those in the academic, maternity leave for women, housing, the family tree of management, functions and interrelationships
- v. Staff Conferences and Area Meeting: These are useful gatherings, which help to unite staff and create good management employee relations. Besides, face-to-face communication between management and employee occurs and this can go miles in bringing about proper understanding of each other line of argument and stand.
- vi. Visit By Management: Organisation, which has many branches, visits by headquarters management, can create good relations, and remove the bogey of management remoteness. These visits can often coincide with a social function to celebrate a promotion, an award, or personal event concerning a member of the local

branch.

- vii. Staff Events such as parties, anniversary dinners, outings and sports tournaments, which include families and friends, also help to cement good relations.
 - viii. Clubs And Societies: - These are well established in many companies, the encouragement and sponsoring of hobby and sports societies and the provision of premises and sites such as sports grounds has moved from its paternalistic origins to a fringe benefit of many organizations.
 - ix. Exhibitions And Displays - Permanent, mobile and portable exhibitions and displays can be used to demonstrate and explain organizational history or policy, what the company does and how it operates. Displays may tell the story of the manufacturing process, show how the organization operates Worldwide or describe a forthcoming advertising campaign. Permanent exhibitions made up of scale and sometimes working models can serve a dual purpose since they will be of interest to visitors
 - x. Staff Visits: - Staff should not be isolated in units so that they never know what is happening in other parts of the organization. The other units can be brought to employees through house journals, films and video, but actual trips and visits can be enlightening. For instance those on the production side can be shown the distribution side.
 - xi. Speak-Up Schemes: - This is a technique of getting feedback from the workshop floor and elsewhere. It uses a variety of approach such as idea box and phone-in news service and ideas. It also includes the right to phone the chief executive officer directly, the managerial open door technique and the writing of letters to management. The open door technique is a form of open management, which helps to breakdown the concept of secrecy, remoteness and aloofness, which creates an artificial barrier between management and employees.
- Other media and technique in employee communications are: Video tapes and closed circuit television, Radio station, PA broadcasts, video, slide presentations, newsletters, internal journal, and even newspapers.

The belief that a house journal is one-way that is downward form of communication, with management telling employees what it wants them to know is out of data. Besides, the modern employee newspaper has won independence, invites reader's opinions and is prepared to publish criticisms of the organization. It has moved from a management/employees pulpit to a staff forum. It has developed into a more truly public relations medium of two-way communication, instead of management propaganda (Frank-Jenkins 1998:138).

EMPLOYEE RELATION POLICY.

Just as every good and modern organization must have public relations policy. It is also imperative for an organization to have an employee relation's policy, because of the realization that employees are a very important public of an organization. The employees create values, and these values are what consumers patronize. The employee's relation policy tells the manager to what extent he can act without consulting the management. It tells what and what to do as events unfold and what areas the manager might not approach at all. The policy tells what is included in employee relation's programme and what is not. The policy inter-alia consists of the following:

- i. The public relations manager should be responsible to provide continued and

enlightened leadership to employees by consulting them on staff matters i.e. that his responsibility needs to be clearly defined with adequate authority to match

- ii. To recognize the value of human beings and rights that is rights to fair deal, to privacy, to hearing, etc.
- iii. Equal treatment of all employees in every matter without discrimination due to tribe, sex, age, belief, color, etc.
- iv. Maintaining the practice of sound salary and wage administration with fair and equal salary for equal work force.
- v. Endeavor to eliminate differences in salary administration, working conditions, promotions and disengagement policies between one and comparable firms with a constant view at improvement
- vi. Always monitor employee feelings, reactions and conditions with a view to informing management at once of any development
- vii. Be on the vanguard to watch out for ways employees can perform their task more fruitfully reducing stress and frustration.
- viii. To always provide authority in order to effectively carry out delegated responsibility with a clear definition and limitation (Cajetan Otuekere-Ubani 1996)
- ix. Avoid instigating employees against employees
- x. Eschew sponsoring some categories of employees to act as agent provocateurs to the same categories of employees and the other categories.
- xi. The policy should promote oneness, unity of purpose, and an enormous feeling of camaraderie within the confines of agreed-universal beliefs.
- xii. The policy should be humane, broad, and not paternalist.

There is no doubt, considering the above mentioned, employee relations is a task that is immense. Taking cognizance of the immensity of the task, the manager of employee relations needs the following support to succeed.

- i. A skill that equips him with the ability to recognize and understand human attitudes and beliefs as well as be capable of clear expression of ideas and opinions
- ii. He needs to be given free access to every information on the company and have access to decision makers.
- iii. He needs to be put in a proper position with ease of interaction with both employees and management
- iv. He should have the skill and the forthrightness to insist on honest and thorough report of issues with emphasis always on the content of the message rather than the medium of communication.
- v. He should have the financial resources and the staff backup to carry out the employee relations' function (Cajetan Otuekere Ubani 1996).

The benefit of successful employee relations policy include:

- i. High reduced rate of lateness and absenteeism to work
- ii. Increased productivity _ this is directly proportional to motivation and happy work force
- iii. Very low labour turnover
- iv. Low industrial conflict
- v. Overall organizational growth.
- vi. Reduced cost
- vii. Increased profitability (Cajetan Otuekere Ubani 1996)

- viii. Positive sense of belonging on the part of the employees
- ix. Satisfied customers result of satisfied employees
- x. Positive organizational image resulting from employees being proud to belong to an organization
- xi. The organization will be the envy of competitors
- xii. Prospective employees will be highly interested in the organization
- xiii. The organization will have the best labour force

PUBLIC RELATIONS IN EMPLOYEE RELATIONS

Public relations functions should not be substituted for personnel relations' function. Albeit both are separate two departments with interwoven functions. Public relations is not normally directly involved in labour negotiations, or in hiring, classifying, training, counseling, or promoting employees. Public relations should, have responsibility for employee communication (Cutlip et al. 1985).

Prof. Sam Black once said of employee communication "internal public relations is an extremely wide field. It embraces almost everything other than pay which encourages employees to make their maximum contribution to productivity and the prosperity of the company. The field is not sharply defined; it overlaps with personnel welfare, labour relations and training, and must work in harmony with these other equally important facets of industrial management. Public relations can contribute to the creation of an atmosphere in which people work more effectively and willingly, and therefore produce better goods at lower costs. It can initiate suggestion schemes and safety campaigns, lessen waste, carelessness and absenteeism as well as enable management to communicate more effectively with employees at all levels, for example through house journals and joint consultation techniques" (Introduction to P.R. Modino Press 1989).

The unique functions of public relations department and the specialized communication training of its staff have made the department indispensable to the success of an organisation. The fact remains that the specific objectives of employee communication are tied to the goals of the organization as a whole, and to established personnel and human resources development programs. This translates to clarifying who does what and reporting relationships in employee communication, helps avoid conflict and friction, and makes coordination of efforts possible. It is indisputable that employer communication is made mandatory due to the desire to create environment of job satisfaction, job security, the feeling of belongingness, an image of an informed workforce, a highly motivated labor force, to prevent and solve barrage of conflicting demands from the work force etc. These demands are made through the personnel department for which the public relations department decode, dress up and communicates through employee relations programme to maintain equilibrium in the system, unity of purpose of the demands and resolve the conflicting tendencies of the demands. Thus these two staff functions (public relations and personnel department) are partners in progress.

Public relations department is best able to do the following:

- i. Correctly interpret management and personnel policies to the internal publics in ways consistent with and responsive to the total public relations program.
- ii. Help shape employee awareness, opinions and attitudes that are carried outside the organization.
- iii. Create a favorable environment for other staff functions such as personnel and

- human resources development.
- iv. Provide vehicles for and facilitate upward communication as part of the organisation's culture. (Cutlip et al. 1985).

However, programming for employee communication calls for periodic surveys and audits to determine what the internal publics know or feel about their jobs and place of employment. Those involved in employee communications should be watchful of these:

- i. Failure to develop a clear image of who the employee is
- ii. Undermining the credibility of being too strongly pro management
- iii. Failure to know the substance of employee relations policy
- iv. A tendency to indulge in "class" forms of communication and to see administration as a class of people rather than an activity necessary for the success of everyone in the organization. (Cutlip et al. 1985)

Furthermore, employee communication MUST not be two busy selling management views downward. Employee communication of this type fails to stimulate an equivalent upward flow of employee viewpoints. The result is that it does not tell employees what they want to know, or reassure them that managers know what they want or what bother them. Employee communication must be balanced; it must not overstate the story to employees or over-promise results to management, which will lead to both being disappointed. The secret for successful employee communication is being realistic and truthful. Thus seen in their proper roles, employees make up an organisation's most important publics. Constructive, mutually beneficial relationship with these publics is the first job of the public relations function. Besides, employee communication is one of the eight pillars of public relations. The others being: corporate relations, government relations, community relations, media relations, financial public relations, international public relations and marketing support.

CONCLUSION

Employee relations policy no doubt is part of an organisation's total public relations plan. It needs, just as the overall public relations plan, a serious plan, because it is the basis of production. The indispensability of employee relations to the success of an organization cannot be over-stretched because individual employees make an organization. However, due to the forces in the working environment i.e. social, political, and economic, technological, cultural and religious, the relationship between the employer and the employee sometimes become unpleasant. Nonetheless, for the attainment of common purpose, both i.e. the employer and the employees need themselves. To this end, there is need for both parties to understand the standpoint of each other. There is also an urgent need for constant information to flow between the parties. Avoidance of mis-information should be the watchword of each party while they should also be frank and honest with each other. Cards should be laid open on the table and not open-closed, nor closed-open. The employee relation's policies should be codified and circulated among staffers. It should not be put in the table drawer while so much noise is made about it, and yet no one sees it except top management staff. Normally even requires that employees be given the booklet at the point of entry. And they (employees) should be encouraged to ask questions about it.

The employees should conduct themselves in ways that conform to the policy. But

where there is no guide, it is doubtful whether employees are bound by any rules. The importance of employee communication lies in the fact that employees play vital roles in creating the image of an organization through their contact with customers, their circle of family and friends, and their participation in community affairs and political life. Properly informed and motivated, they can be one of the most powerful support groups in seeking to achieve the public relations objectives of their employer. Neglected, uninformed, they can become cynical about the public image of the organization. Moreover since others regard them as one of the most credible sources of information about their employer, they can seriously undermine efforts to communicate the employer's objectives and achievements to other publics (Salu 1994:209).

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"The Nigerian Entrepreneur: An Investor In A Developing Economy"

Okezie Goodluck Nwokoma

The Nigerian Entrepreneur is an investor in a developing economy, faced with shortage of investible capital, limited business opportunities, deficiency in techniques, weak bargaining position, infrastructural inadequacy, low savings and investment etc. The review of the development of indigenous entrepreneurship confirmed an environment populated with deficiencies; inability to carry out supervisory and control functions, low production efficiency and product improvement, non-delegation of authority and unwillingness to project original ideas. Thus Nigeria was identified as exemplifying unenviable quantum of External and Internal setbacks, *vis-à-vis* her entrepreneurial efforts. Hence, features of a developing economy and the problems of the Nigerian Entrepreneur found relevance in the paper.

Published literature provided the main information sources, however, personal observations during years of learning and working availed their worth.

The Nigerian economic environment may appear lackluster, due mainly to political instability, but when we contemplate the abundance of natural and human resources, we cannot but accept the great potential of developing a strong indigenous entrepreneurship.

INTRODUCTION:

Various people and a wide range of economic activities, place the "Entrepreneur" in different perspectives. The American business circle use it to describe a person who is willing to risk his capital and other resources in a new investible idea, from which he expects future return - profit. In this light, the Entrepreneur is an innovative speculator. Hence, entrepreneurship is act of investing capital in a business endeavour of an open and free market, objected at making profits: Business endeavour here will include activities in the Primary, Secondary and Tertiary industries.

In the Nigerian environment, subsistent farmers, petty- traders, artisans and craftsmen populate the self-employed. These do not represent people who engage in successful personal businesses, in which venture capital and other resources are engaged. Currently, most successive Nigerian entrepreneurs were set up by multi - National companies who sought indigenous distributorship for their products. When in the 1970s a decision was made to close down Kingsway Chemists, this resulted in the creation of a few local, but successful pharmaceutical outfits. Their success can only be credited to their proprietors. This situation does not define a businessman sensing a potentially profitable business initiative and investing his personal capital in it.

Local indigenous successful entrepreneurs, such as Ibru Organisation, Henry Stephens Group, Ekene Dili Chukwu transport etc, had strong foreign financial backing at their teething stages. Precisely therefore, an entrepreneur is a "risk taking, innovative individual who establishes and manages a business, for purpose of profit and growth" (Oruvalah, 1999: 2). His qualities / skills are: Risk - taking, Organisation skills, innovative, decisive, receptive of new ideas, team player etc. Thus, an entrepreneur is one

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