

Interfacing Communication and ICTs in a Divisionalised Structure: Effects on Good Governance

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INTRODUCTION

Every organization exists to achieve some set goals. To facilitate quick and cost effective attainment of these goals, they are broken down into different tasks for different people to undertake. Jobs are grouped into departments such as marketing, sales, advertising and manufacturing depending on the size of the organisation. In such a corporate setting, there must be constant communication and information sharing to properly harmonise the activities of each department. Information and communication technology plays critical roles in fast-tracking organizational decision making process. The more progress the companies make, the more they can contribute to national development. Against the backdrop, this study, anchored on technological determinism and governance theories, evaluates the interface of communication and ICTs in a divisionalized organisational structure and the implications on corporate governance and sustainable development in Nigeria. The chapter also attempts to provide good understanding of the concept of divisionalised structure, pinpointing its features, purposes, prospects and challenges. The study also seeks to identify the role of communication and ICT in the organizational decision making process.

BACKGROUND

The quests for sound organizational management and efficient corporate governance have received more impetus in today's business environment. This is because it has been observed especially among large scale enterprises and multinational companies of incidences of wastage of human and material resources, inefficiency and sluggishness in the corporate decision making process at huge cost to the company on one hand and to shareholders on the other. In contemporary corporate setting, large scale organisations tend to have more specialisation, departmentalisation, centralisation and regulation than small scale enterprises. Particularly, companies with wide variety of products often give preference to divisionalisation purposely to ensure efficiency and effectiveness in the corporate decision making process. However, despite the adoption of divisionalised structure supported with effective communication and information technology, there are yet apprehensions that such practices oftentimes do not translate to good corporate governance characterised by growth, probity, accountability and return on investment. To build sound business management founded on good corporate governance that will guarantee sustainable development in Nigeria, there are tasks that must be accomplished.

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According to Gbadamosi and Adebakin, (2006), organisations exist in a society and combine materials (technology) and human (personnel) resources for the attainment of corporate survival. The earlier conception of organizations described them as highly structured, hierarchical, restrictive and undemocratic ((Eisenberg and Goodall, 1993). Miller (1995) cited by Soola and Ayoade (2000, p.10) has characterized organizations using three different features. First, an organization includes two or more people who are seen as social collectivities that require some level of understanding, coordination and communication to act in concert. Second, an organization is structured in the pursuit of a goal or set of goals which direct the activities of the organization members and are equated with the purpose and goals of its members. Third, an organization involves coordination of activities which is a process by which organizational goals are achieved. Although organisations have been defined in various ways by different theorists, virtually all the definitions contained certain common features which Adolor (1985, p.63) summarised as follow:

- an interdependence, or interlocking activities;
- role specifications for members who occupy positions;
- a division of labour and varying degrees of job specification;
- status hierarchy which exists as a coordinating and controlling mechanism;
- a dynamic system which is in a constant state of change;
- a system of processing various ‘inputs’ to produce various ‘output’;
- a communication network, or more accurately, a network of networks, and;
- a combination of individuals and groups- a group of people.

Modern society depends largely on the efficiency and optimal performances of its organisations for its social and economic sustenance. Business organisations such as manufacturing, aviation, banks, insurance, petroleum and gas, construction and media among others, thrive in an environment of sound management. As a process, management can be defined as network of activities, which entail responsibility for the effective and economic planning and regulations of a business enterprise. Going by the above definition, management process involves goal setting, planning and implementation, measurement of outcome and general supervision.

It is important to note that as business manager in any corporate setting, responsibility demands that one must be accountable. Accountability is a function of responsibility. According to Glautier et al (2011), specific responsibility arises by reason of the nature of a relationship either patented or contractual responsibility. The pre-condition to good accounting system is the presence of responsibility towards others which imposes an obligation to account for one’s actions. Responsibility accounting is a basic component of management functions and control systems particularly in large organizations with product or service diversification (Arora (2012). Accounting involves the process of identifying, measuring, recording, reporting and communicating economic information that permit judgment and sound decision making by the end users. It also includes keeping accounting records, data, information and reports, monitoring cash position and settling of bills as at when due.

As the subject matter of accounting is very important in the day to day organizational management so also is the issue of communication, which is a major prerequisite towards managerial accountability as well as achieving the overall organizational goals and objectives. In addition, for every person working in a particular establishment, there is the necessity of interacting and functioning together to accomplish corporate goals. In order to facilitate interrelationship in organizational setting, communication is a key factor (Gbadamosi and Adebakin, 2006).

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