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Stakeholders Involvement and Effectiveness of SMEs in Port Harcourt Rivers State

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Abstract: *The study explored the link between stakeholders' involvement and effectiveness of small and medium enterprises in Port Harcourt, Rivers State. The study employed the cross-sectional survey was employed. The population of the study comprise of 125 owners and managers of small and medium enterprises in Port Harcourt, Rivers State. The study used the entire population as the sample for the study as a result of the small number. The data for the study was collected using questionnaire administered by the researcher. Out of the 125 questionnaires administered, only 95 questionnaires were completed. The data collected was analysed using the Spearman Rank Order Correlation coefficient to ascertain the level of relationship that exists between stakeholders' involvement and effectiveness of small and medium enterprises. The study findings showed that stakeholders involvement relates significant to effectiveness of SMEs. The study thereby concluded that involvement of stakeholders influences the effectiveness of firms. The study recommended amongst other things that relevant stakeholders should be involved in operational activities of business in order to ensure the effectiveness of SMEs.*

Introduction

The essence of every business is to make profit and succeed on the long run. This is because there is no business than can succeed without performance at a high level. For this reason, It is increasingly critical for companies to strive to perform at a higher level in order to stand the test of time and compete in the business environment. A lot of small and medium enterprises have been crippled as a result of inefficiency in their operation which has manifested in the work of profit loss, marker share loss and shutting down of the businesses. As noted by Oghojafor, Muo and Aduloju (2012), effectiveness as the extent to which a firm is capable to achieve its goals. Organizational effectiveness over the years has been seen as the extent of goal attainment. Cameron (1978) asserted that firm effectiveness is the firm proficiency at obtaining accessibility to the necessary resources. Although there has not been a consensus of what constitute organizational effectiveness, goal attainment, satisfaction and relationship with the external environment is however essentials for firms that must last the test of time. The degree to which a business is able to outperform their rivalries is depending on their level of effectiveness. However, the employees who are the major resource of the organizations are saddled with the responsibilities to ensure the effectiveness of the organizations. In line with the above assertions, consequently, it is crucial to make sure that the employee harness their effort so as to boost the effectiveness of the firm (Omoankhanlen, 2020).

Despite the importance of effectiveness to the survival and continuous operation of businesses, one of the factors that can enhance effectiveness of firms is the level at which the stakeholders are carried along in the course of operation. Mark and Chappidi (2008) asserts that a stakeholder is a person or group of persons that have a stake or share in something either with financial or non-financial stake. Stakeholder's involvement involves bring people both internally and externally who are involved in the execution of business activities and whose inputs impact on the ultimate outcome of such activities (Mushimiyimana, 2014). Accordingly, Bipin, Kamal and Rabin (2012) observed that stakeholders are people, groups, or institutions, which are likely to be affected by a business (either adversely or favourably), or those that may have an impact on how business is conducted.

For any organization that desires to success and meets its target, there is need for them to be effectiveness driven in order to surmount the challenges posed by the business environment. The small and medium enterprises contributes significantly to the growth and development of Nigeria's economy through the GDP. It is the industry that has help in the provision of employment in the nation while also lifting people out of poverty. To this end, the importance of SMEs cannot be overemphasized because of their importance to the nation's economy. However, many small and medium enterprises operations have been marred with inefficiencies which has resulted into the folding up of so many of such enterprises with its negative effect on the nation's economy. These business failures have further increased the rate of unemployment, poverty, social vices amongst other attendant challenges in Nigeria. Furthermore, the continuous competitive business environment means what any firm that wants to measures up should prioritize effectiveness to enable them function maximally. In order for such firm to achieve this, there is need to involve the stakeholders both from within and outside of the organization to effectiveness to be achieved.

For this reason, there has been various studies on how firms effectiveness can be enhanced in the past. Anyakie (2018), did a similar study on how conflict management relates with firm effectiveness. Odita and Egbule (2015) examined the relationship between workforce diversity and organizational effectiveness, while Ukpabi, Ikaba, Enyindah, Orji and Idatoru (2014) studied how the effectiveness of oil and gas firms can be enhanced from the stand point of corporate social responsibility. Worthy of note therefore is the fact that despite the various studies that have been done to enhance effectiveness in organizations, only a handful of studies have been carried out on effectiveness of SMEs particularly in Rivers state. Hence, this observed knowledge gap is what has informed this study to examine how stakeholders' involvement affects the effectiveness of small and medium enterprises.

Aim & Objectives of the Study

The aim of this study is to examine the link between stakeholders' involvement and effectiveness of SMEs in Rivers State. Specifically, the objectives of the study are to:

1. Examine the relationship between stakeholders' involvement and cohesion
2. Explore the link between stakeholder's involvement and cost efficiency
3. Examine the relationship between stakeholders' involvement and operational excellence

Research Hypotheses

1. There is no significant relationship between stakeholders' involvement and cohesion of SMEs in Rivers State.
2. There is no significant relationship between stakeholder's involvement and cost efficiency of SMEs in Rivers State.
3. There is no significant relationship between stakeholders' involvement and operational excellence of SMEs in Rivers State.

Review of Literature

Theoretical Framework

Participatory Development Theory

The concept of Participatory Development can be traced back to 1950s when most third world countries were gaining their independence from colonial rule. By 1960, it had reached more than 60 nations in Africa, Asia and Latin America among others (Morrissey, 2007). The current study can be based on concepts of Participatory Development which lead to emergence of community-based forms of development. The stakeholder method has been hailed as a potent tool for comprehending the business in its surroundings (Oakley, 2011). This strategy is designed to increase the management's vision of its roles and responsibilities beyond the profit maximization function (Mansuri & Rao, 2004) and stakeholders identified in input-output models of the firm, to also include interests and claims of non-stockholding groups. Patton (2008) elaborated that the stakeholder model proposes there is no established order of importance for one set of interests and benefits over another, and that all individuals or groups with genuine interests acting in an industry do so to reap benefits (Karl, 2007). It is necessary to take into account related firms, potential clients, potential employees, and the general public. Stakeholder theory's primary and unique goal is to empower managers to understanding stakeholders and strategically manage them (Patton, 2008). The managerial importance of stakeholder Involvement has been to demonstrate that treatment of stakeholders is related to the long-range sustainability of the business (McManus, 2004). Although it has its roots in strategic management, stakeholder theory has been employed in a variety of sectors and articulated and used in a variety of ways that are highly unique and entail quite varied approaches, principles, types of evidence, and assessment criteria. There are many different opinions on the idea of stakeholders, which has increased in popularity (Oakley, 2011). This theory emphasizes the significance of the relationship between the top management staff with the stakeholders. Specifically, managers should understand the success of the projects can be influenced greatly by the Involvement of various stakeholders. These stakeholders will engage depending on the relationship they foster with the top project management and not junior workers acting on their behalf.

The Theory of Reasoned Action (Tra)

The Theory of Reasoned action (TRA) which was developed in 1967 also relates to the current study. It was revised and expanded by Ajzen and Fishbein in the early 1970`s. By 1980, the theory was used to study human behavior and to develop appropriate interventions. The Theory assumes that human beings are rational and that they make systematic use of knowledge accessible to them before they decide to engage or not to engage in certain behavior (Yulia, 2005). The theory looks at behavioral intentions as being the immediate antecedent to behavior. It is believed that the stronger a person's intention to indulge in a particular behavior is, the more successful they are expected to be. Intentions are functions of salient beliefs or information about the likelihood that indulging in a behavior will lead to a specific outcome. The initial antecedent of behavioural intention is generally accepted to be attitude. It is an individual's positive or negative belief about indulging in a specific behavior (Young, 2006). One will have the intention to indulge in a specific action when they consider it to be advantageous. This theory can be applied to comprehend a community engagement in the sense that it is assumed that people will consider the implication of their actions before they decide to engage or not to engage in certain behavior. For instance if people perceive that participating in community projects will yield some benefits, then it is more likely that the community will increase their level of Involvement and vice versa.

Concept of Stakeholder's Involvement

Involving stakeholders in the business requires to identify them, to analyze them, to communicate with them and then to involve them in a project life. One of the first steps in the management of business is the identification of stakeholders. According to Mark (2013), the practise of identifying all parties with an interest in a firm is known as stakeholder identification. It is crucial to know that not every stakeholder will affect or have a similar impact on a firm, it is essential to begin thinking about them now and helps provide a systematic way to identify stakeholders. According to Bryson (2004), the second step of involving stakeholders is the stakeholder analysis. He avowed that stakeholder analyses are now arguably more important than ever because the world is becoming more and more integrated. According to Mark (2013) the stakeholder analysis process requires a close look at each stakeholder to gather more in-depth information in order to understand their impact, involvement, communication requirements, and preferences. Both internal and external stakeholders play a greater role in the business activities in which they participate and their level of involvement in or responsibility for a particular activity depends on the mission and their reporting relationship to the managers, which, in particular, leads to their classification as an internal or external stakeholder.

Cohesiveness

Festinger, Schachter, and Back (1950) defined cohesion as the full spectrum of forces which act on participants to stay in the group. Group cohesiveness is the descriptive and technical term used by social psychologists to refer to the essential property of social groups that is captured in common parlance by a wide range of other expressions, such as solidarity, cohesion, comradeship, team spirit, group atmosphere, unity, oneness, weness, groupness, and belongingness (Hogg 1992). Back (1951) explains cohesiveness as "the attraction of membership in a group for its members. Libo (1953) sees cohesiveness as the attraction of the group for its members. Cohesiveness should be reflected by strong ties within a group (Granovetter 1973), and such a group's members should be tightly coupled (Weick 1976). Lippett & White (1943) stated that cohesiveness of a group is extreme under conditions of political leadership. Cohesiveness and positive morale are largely the sum of having the employer's expectations gotten.

Carron et al. (1985) noted that the various definitions of cohesion could be divided into two main categories: (a) group integration, which refers to a member's impressions of the group as a whole; and (b) personal attachment to group, which refers to a participant's own attachment to the team. Cohesiveness is generally defined as "the resultant of all forces acting on all the members to remain in the group" (Cartwright, 1968). Hogg (1992) argues that cohesiveness is a structural attribute to do with affective relationships among group members, and thus may not be simply transformable into aggregate terms Group cohesiveness is an evolving phenomenon that is expressed in a group's propensity to adhere together and stay unified in its pursuit of instrumental goals and/or to fulfil the emotional requirements of members (Carron et. Al., 1998). Shaw (1976) suggested that one such interpersonal relationship is the rate to which the members of the team are attracted to one another, or the level to which the group coheres or hangs together. This aspect of the group is usually referred to as group cohesiveness.

Bednar et al. (1974) concluded that cohesiveness is usually defined as interpersonal trust, attraction, and involvement. Evans and Jarvis (1980) argue that; although it is universally acknowledged that cohesion is a characteristic of groups, measuring cohesion typically entails measuring the levels of attraction of particular group participants and averaging them. This technique assumes, with little justification, that the whole is no greater than the sum of its parts. Carron and Hausenblas (1998) defined cohesion as a dynamic process that shows a group's tendency to be glued together and remain in satisfying member needs. Having a strong group cohesion is regarded as important and would lead to a better performance (Sopa & Pomohaci 2014).

Cost Efficiency

Cost efficiency is the ability to decrease operational costs and increase the bottom line by making incremental progress and making the operational process seamless and create more value. Succinctly put, cost efficiency is the act of enhancing production processes and improving organizational outcomes in terms of products and services, while reducing cost (Jaggaer, 2020). Cost efficiency is increasingly gaining momentum in today's world of business. It is an incredibly popular strategy or term that is applied by organizations the world over to grow, survive, and thrive (Bhasin, 2020; Jaggaer, 2020). Thus it is a strategic option or choice for all organizations. This means that a cost-efficiency strategy could be applied to achieve organizational success in price competition.

Price competitive advantage could be achieved through cost efficiency which could come as a direct benefit of organizational disposition in terms of being skill-oriented, customer-oriented, and competition-oriented (Bhasin, 2020). Indeed, the better quality outcome is an indication of higher prices. However, cost efficiency tends to introduce a balance of the cost of value derivable or outcome. Thus, cost efficiency is a key factor that can help increase the chances of an organization to gain full market penetration and achieve the vision and mission of the organization. Bhasin (2020) pointed out that several factors could be profiting for organizations that adopt the cost-efficiency strategy. But to achieve this, such organization may need to: (1) increase their chances of being cost-efficient by offering products and/or services at the same or even lower than other competitors, (2) maintain cost efficiency by trying to improve value derivable and/or products and services offered (3) improve cost efficiency by innovatively and radically enhance customer benefits as well as efficiency of organizational operations.

Again, Murphy (2021) suggests that organizations that want to achieve higher levels of cost efficiency may have to; (1) perform a cost-benefit analysis on each of their strategic options to be adopted, (2) employ technologically enhanced ways of performing tasks and getting things done, (3) adopt organizational practices that enhance proactive pricing, (4) contextualize cost efficiency within the larger organizational strategy. Tyagi (2020) noted that cost efficiency is a commonly adopted strategy used by the organization to improve customer value, generate organizational capabilities which result in enhancing organizational profits margins. This demonstrates that organizations increase their chances of profit maximization capabilities by drastically reducing prices which creates more value for customers, and revenue for the organization. This means that organizations need to search and adopt creative ways to create value for customers while cutting costs and making more profit from the turnover of the organization.

Operational Excellence

Operational excellence is an organizational philosophy in which leadership, teamwork, and problem-solving result in the ongoing improvement of daily activities within the company (Hanna, 2019). Operational efficiency involves putting the organization on the right part of continuous improvement, growth, and advancement by practically understanding the needs and wants of the target market and creating an uninterrupted, seamless, and continuous value stream take adequately takes care of or addresses these needs and want in a manner that satisfies the customer and is profitable for the organization. Thus, operational excellence deals with; (1) creating consistency of purpose, (2) thinking systematically, (3) creating value for customers, (4) focusing on organizational processes and procedures, (5) seeking organizational perfection, (6) mutually respecting every employee, (7) Assuring customers of quality output even from the very source, (8) leading with humility (9) pull value and allow it flow throughout the system, and (10) embrace scientific thinking (Hanna, 2019).

Herman (2019) has suggested that operational excellence encompasses; commitment to quality, leadership engagement, employee involvement, strategic direction, process excellence, surpassing customer expectation, superior organizational safety, and product and/or service innovation. Similarly, Bardwaj et al. (2009) suggested that a detailed operational excellence model should encompass; (1) high-performance work teams, (2) strategy development, (3) process excellence, and (4) performance management. Each of these components has sub-components that are applied to seamlessly making everything function. For instance, high-performance work teams are made up of (a) coaching skills, (b) facilitation skills, (c) organizational design, (d) values and organizational culture. Strategy development encompasses; (a) vision, mission, and purposes, (b) strategy mapping, (c) Hoshin planning, and (d) catch a ball. While, process excellence encompasses; (a) six sigma methodology, (b) lean management, and (c) &D problem-solving process. Lastly, performance management encompasses; (a) process management, (b) key performance indicators, and (c) balanced scorecard.

Based on these submissions, it can be noted that operational excellence involves employee engagement which requires having a unified team membership with a good reward and recognition system that encourages people development and sound leadership behaviours. Secondly, operational excellence should encourage good organizational structures that define the duties, roles, and responsibilities of all individuals within the system, while enhancing communication in terms of work-related instructions from top to bottom, and reports and feedback from bottom to top. Thirdly, operational excellence should be improved to transform the entire organization innovatively, while continuously solving problems as they arise. Fourthly, operational efficiency can enhance performance management making management visible and making decisions where necessary. Fifthly, operational excellence enhances process management by adopting standard but flexible methods and tools to get things done. Lastly, operational excellence enhances the conception, formation, and implementation of organizational strategy, making such an organization agile and prepared to take on any challenges that may come with the changes in the environment of business.

Empirical Review

Jirawuttinent (2015) researched the effect of HRM outsourcing on the performance of multinational firms in Thailand. The is to verify whether the elements of human resource automation namely, recruitment activities, training administration, payroll management, and human resource information system could bring about organizational performance in terms of human resource cost efficiency, effective human resource department, and human resource flexibility. The test was conducted using data generated and collated from a mail survey questionnaire of 165 multinational organizations with the aid of a questionnaire instrument. The ordinary least squares (OLS) regression statistical method was used to perform the test. The conclusion of the analysis demonstrates that HRM outsourcing has a significant positive effect on organizational performance directly and indirectly in terms of human resource cost efficiency, effective human resource department, human resource flexibility, and human resource information systems.

Alzhrani (2020) conducted a study on outsourcing human resource activities and how it affects how well an organisation performs. In specific terms, the study is designed to examine how recruitment and selection outsourcing, training, and development outsourcing, compensation and salary surveys, organizational design and development outsourcing, human resource information systems or human resource information technology outsourcing, and payroll outsourcing could drive organizational performance specifically cost efficiency, productivity, profitability, and operational excellence. The outcome of the systematic review revealed that outsourcing especially human resource outsourcing has been deemed an efficient tool used by organizations to reinforce their core competencies in a bid to assign and apportion scarce organizational resources effectively.

Olannye and Okoro (2017) performed an investigation in enhancing organizational performance through human resource outsourcing in the Nigerian deposit money banks. The objective of the study is to look at how outsourcing of human resources on the organizational performance of deposit money banks in Asaba metropolis, Delta State, Nigeria. In this study, a 25 item structured questionnaire was administered to two hundred and sixty employees of ten deposit money banks using a cross-sectional survey method, while multiple regression analysis methods were used to analyze the data. It was found that human resource outsourcing has a significant positive effect on organizational performance. This demonstrates that cost-saving and high productivity are outcomes of the adoption of human resource outsourcing. They concluded that recruitment and selection outsourcing saves time and money, and that employee training outsourcing offers the organization a new perspective to organizational activities.

Hotepo et al. (2010) highlights the effect of organizational conflict on organizational performance. The study adopted a descriptive research design and uses questionnaire to collect data from 96 managers in some designated Airlines, Road Transport and Insurance companies in Lagos city, in pursuit of the study objectives, the research instruments used was a structured and non-disguised questionnaire with close-ended questions, designed from literature review and previous studies. The questionnaire was pre-tested with ten managers from the sample size in order to check and ensure that no irrelevant question was present. His research highlighted that conflict is primarily caused by a lack of resources, that disagreement has both beneficial and negative impacts on an organisation, but that the beneficial results can be utilized to encourage organizational innovativeness and build cooperation among the employees.

Anyakie (2018) looked into the link amid conflict management and organizational effectiveness. Data were collected from 98 managers and HOD in 16 micro-finance banks in Port Harcourt, the purposive sampling technique was employed in this study. The Spearman's rank order correlation coefficient statistical analysis was used in testing the stated hypothesis through the use of Statistical Package for Social Science (SPSS). The investigation revealed a strong connection between conflict management (teamwork and compromising) and organizational effectiveness (client/customer satisfaction and quality of work-life) are significantly related. The conclusion reached was that adequate learning will be enhanced by good conflict management, which in turn promotes organisational performance, and the researcher recommended that management should ensure that there is effective communication between the management team, subordinates and clients.

Abdul and Sehar (2015) looked at conflict situations and its causes, as well as possible solution of improve working environment in an Organization. According to the study, conflict results from divergent goals and interests and, if it persists, will lead to the dissolution of the organisation. A formal questionnaire was constructed and survey method was used to collect data from a target group of respondents. Descriptive analytical techniques such as frequency, percentage, mean, standard deviation & variance and factor analysis were applied to analyze and interpret the data. Ratio analysis is employed to evaluate Askari Bank's efficiency. The main conclusions are that education has little bearing on respondents' perceptions of conflict resolution tactics. However, Conflict has a considerable impact on organisational effectiveness. In addition to providing open lines for interaction between management and employees and encouraging interpersonal ties among colleagues to raise morale, we recommend that management implement conflict management tactics that enhance the performance of the organisation.

Methodology

A survey design was utilized to achieve the objectives of this study. A population of 102 managers and owners of small and medium enterprises were. The study was a census study as the population is within the reach of the researcher. A structured questionnaire was distributed to the participants to elicit information on the variables understudy. Items of each of the dimensions and measures were measured with 5 question items each. While stakeholders' involvement was measured as a single variable, firm effectiveness was measured using operational excellence, cohesiveness and cost efficiency. The data from the study and test of hypotheses formulated were carried out using the Spearman rank order correlation coefficient.

Result

Out of the 102 questionnaires distributed, 95 questionnaires representing 93% copies were returned. The hypotheses test is undertaken at a 95% confidence interval and the decision rule is stated below.
Where $P < 0.05$ = Reject the null hypotheses

Where $P > 0.05$ = Accept the null hypotheses

Table 1: Relationship between stakeholders' involvement and cohesiveness

Correlations				
			Stakeholders' Involvement	Cohesiveness
Spearman's rho	Stakeholders' Involvement	Correlation Coefficient	1.000	.865**
		Sig. (2-tailed)		.000
		N	95	95
	Cohesiveness	Correlation Coefficient	865**	1.000
		Sig. (2-tailed)	.000	
		N	95	95

**. Correlation is significant at the 0.01 level (2-tailed).

With P 0.05 (0.000 < 0.05) and the rho = 0.865, the results of the data analysis in Table 1 demonstrate a significant association between stakeholders' involvement and cohesiveness in firms. This entails that a change in one of the variables will positively impact the other, i.e. a change in stakeholders' involvement will have an impact on the level of cohesiveness that the firm enjoys. Therefore, the study submits that there is a positive and significant relationship between stakeholders' involvement and cohesiveness of SMEs. Considering the foregoing, we therefore reject the null hypothesis and accepts the alternate hypothesis which states that that there is a significant link between stakeholders' involvement and cohesiveness.

Table 2: Relationship between stakeholders' involvement and cost efficiency

Correlations

			Stakeholders' Involvement	Cost Efficiency
Spearman's rho	Stakeholders' Involvement	Correlation Coefficient	1.000	.699**
		Sig. (2-tailed)		.000
		N	95	95
	Cost Efficiency	Correlation Coefficient	.699**	1.000
		Sig. (2-tailed)	.000	
		N	95	95

**. Correlation is significant at the 0.01 level (2-tailed).

The study in Table 2 shows a moderately positive rho value of 0.699 and a P-value of.000, which is less than .05 (0.000 0.05), indicating a significant relationship between stakeholders' involvement and cost efficiency. The implication of this is that an improvement in stakeholders' involvement will enhance the level of cost efficiency of the firm. Furthermore, this shows that when stakeholders are carried along, there would be less waste in firms. Thus, the null hypothesis is rejected and we therefore accept the alternate hypothesis that there is a significant relationship between stakeholders' involvement and cost efficiency of SMEs in Rivers state.

Table 3: Relationship between stakeholders' involvement and operational excellence

Correlations				
			Stakeholders' Involvement	Operational Excellence
Spearman's rho	Stakeholders' Involvement	Correlation Coefficient	1.000	.876**
		Sig. (2-tailed)		.000
		N	95	95
	Operational Excellence	Correlation Coefficient	.876**	1.000
		Sig. (2-tailed)	.000	
		N	95	95

**. Correlation is significant at the 0.01 level (2-tailed).

The analysis on table 3 shows a positive relationship between stakeholder's involvement and operational excellence. This can be seen from the P-value of.000 and a coefficient value of .876. This implies that a change in one of the variable will positively affect the other, i.e. stakeholders' involvement will positively influence the level of operational excellence in organizations. Therefore, we infer that there is a positive and significant relationship between stakeholders involvement and the operational excellence of firms. Following the result, the null hypothesis is hereby rejected and the alternate hypothesis accepted that there is a significant relationship between stakeholders' involvement and operational excellence of SMEs in Rivers state.

Discussion of Findings

Stakeholders Involvement and Cohesiveness

The results of the data analysis showed a strong relationship between stakeholders involvement and cohesiveness. The P-value of 0.000 demonstrates relationship existence between stakeholders involvement and cohesiveness, and the rho value of 0.865 demonstrates a strong and positive ink between stakeholders involvement and cohesiveness. Thus, it can be deduced that for firms that wants to have cohesiveness as a measure of effectiveness, they must ensure that the relevant stakeholders are involved. The result of the study agrees with the study of Sopa and Pomohaci (2014) who noted that cohesiveness is needed for organizations that desire a better performance and effectiveness. It also flows with the assertion of Bednnar et al (1974) who noted that cohesiveness is usually manifested in the forms of interpersonal trust, and involvement. Thus, the findings shows that there is a link between involvement of stakeholder involvement and how effective a firm operates.

Stakeholders Involvement and Cost Efficiency

The result of hypothesis two demonstrated a significant connection between stakeholders' involvement and cost efficiency. The P-value of 0.000, and the rho value of 0.699 shows that there is a strong relationship between the two variables. This shows that a change in any of the variable will affect the other. Furthermore, when there is strong stakeholders' involvement, it enhances the level of cost efficiency. The result aligns with the study of Bhasin (2020) who submitted that cost efficiency is a popular strategy that is used by firms world over in order to grow, survive and thrive while also ensuring that their performance is at a higher level. Furthermore, the study supports the study of Tyagi (2020) who noted that organizational that wants to improve customer value, enhance capabilities and profit should involve key stakeholders in its operations as this will enhance their performance.

Stakeholders Involvement and Operational Excellence

Results of the third hypothesis shows that stakeholders' involvement significantly relates with operational excellence. This shows that the stakeholder's involvement can enhance the operational excellence of SMEs. The coefficient value of 0.876 shows that a change in the stakeholder's involvement will affect the operational excellence by 87 percent. Thus, it is inferred that stakeholders' involvement enhances the level of firm's operational excellence. The findings agree with the study of Hanna (2019) who noted that leadership, teamwork and involvement of stakeholders enhances the level of firm's operations.

Conclusion

The study looks at stakeholders' involvement and the effectiveness of small and medium enterprises in Rivers State. It is important to state that when there is involvement of key stakeholders in the operations of a firm, it enhances the level of effectiveness they command. It was also noted that involvement of stakeholders had positive and significant relationships with cohesiveness, cost efficiency and operational excellence of SMEs in Rivers state. The study thereby concludes that for small and medium enterprises that wants to enjoy effectiveness in its operations, there must be concerted efforts at carrying along all the relevant stakeholders.

Recommendations

Flowing from the conclusion of the study, the recommendations are as follows:

1. Managers and owners of SMEs should ensure that the stakeholders in their businesses are carried along in order to ensure that the cost of their operations is reduced as this will enhance effectiveness through waste reduction.
2. Managers and owners of small and medium enterprises should make sure that the relevant stakeholders within the organization are involved in the operations of the firm so as to enhance the level of cohesiveness in the organization.
3. Owners of small and medium enterprises should build relationship that will enhance the firm's operational excellence as this will give the SMEs competitive advantage and higher performance.

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