

# jmacs

MAIDEN EDITION VOL. 1 NO. 1 DEC. 2021

## JOURNAL OF MANAGEMENT AND CONTEMPORARY STUDIES

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A Publication of  
**Department of Business Management**  
**Faculty of Management Sciences,**  
Benue State University, Makurdi, Nigeria.



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## EDITORIAL BOARD

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# Effect of Corporate Social Responsibility And Environmental Cost on Performance of Listed Manufacturing Firms on Nigeria

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## ABSTRACT

*The study examines the effect of corporate social responsibility and environmental cost on performance of listed manufacturing firms in Nigeria. The study explores the relationship listed firms' corporate social responsibility cost, environmental cost and performance vis-à-vis two major preposition of corporate social responsibility theories put forward by Milton Friedman and Edward Freeman in business ethics stakeholder theory. The study evaluates accounting for corporate social responsibility and environmental cost of firms and criticize same strategy vis-à-vis the Friedman's and Freeman preposition as well show if there is a need for both arguments in business ethics. The study adopts ex-post facto research design. Using random sampling criteria, the study selects 14 out of the 56 listed manufacturing companies on the Nigerian stock exchange as at 2021. The study adopts data from manufacturing firms and the data is analyzed using autoregressive distributive lag model regression. Finding from the study reveal that, social responsibility cost has no significant effect (positive) on performance of the listed manufacturing firms in terms of the firms' sustainable growth while environmental cost has no significant effect (Negative) on sustainable growth of listed manufacturing firms in Nigeria. Thus it is recommended that, firms should endeavor to carryout corporate social responsibility that are cost efficient and effective. This will help mitigate the adverse effect of corporate social responsibility activities of the firms, at same time help build the goodwill of the firms as well as increase the sustainable growth of the firms. Also, corporate social responsibility and environmental cost accounting are contemporary global phenomenon of businesses over the world. International agencies and governments are external stakeholders of the firm with key interest in the corporate responsibility and environmental activities of the firms. Therefore, the firms must sustain the current corporate social responsibility and environmental responsive strategies and improve on ways to be cost efficient to the shareholders as well as maintain an effective corporate social responsibility and environmental responsive strategies that will put the firms in good light.*

**Keywords:** *Social responsibility cost, environmental cost, sustainable growth, Friedman's and Freeman theory.*

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## **1.1 INTRODUCTION**

Internationalization of businesses is a global trend that has emerged over the past decade (Olaf & Razaul, 2020). The fundamental concept of business globalization is hinged on the precept of equal ethical rewards to the diverse stakeholders of the firm (Hirigoyen & Poulain, 2015). According to Akinpelu, Ogunbi, Olaniran and Ogunseye (2013), the stakeholders of a firm encompass all shareholders, potential investors, government, employees and the host communities. As mentioned by Najeb and Awni (2017), the various stakeholders of a firm have diverse interest that the firm must satisfy in lure of the available resources of the firm. It is an established economic preposition that firms' resources are scarce and firms must plan within the available scarce resources how they will satisfy the various stakeholders interest (Garriga & Mele, 2004). It is premised on the preposition of firm scarce resources and the need to satisfy diverse interest of firms' stakeholders that necessitate the argument for and against the adoption of corporate social responsibility as a firm fundamental strategy to satisfy the diverse interest of various firm stakeholders and attain business sustainable growth. While scholars like Milton Friedman argued against corporate social responsibility and environmental strategies of firms, Edward Freeman argued in favor of firms corporate social responsibility and environmental strategies.

According Amole, Adebisi and Awolaja (2012) social responsibility of firms is necessary for the following reasons: it helps firms to extend aid to societies need as well as being responsive to environmental protection; it helps firms to use business resources to promote the interests of all stakeholders affected by a company's operations; social responsibility helps the firm to respond to changing public needs and expectations; it helps the firm or business to recognize its moral obligations; and social responsibility facilitates a firm's correction of some problems caused by the business, for example, pollution of the environment. On the other hand, Nnamani, Onyekwelu and Ugwu, (2017) argued that corporate social responsibility adds cost burden to the firms. Nnamani et al., (2017) further encouraged that firms should make

strategic plans while carrying out corporate social responsibility activities to minimize the cost implication of corporate social responsibility to the firm in order to achieve sustainable business growth in terms of financial performance.

Firms activities have given social and environmental concern to a range of firms' stakeholders. This is felt in the adverse effect of firms activities on the environment which subsequently leads to pollution and disruption in the means of livelihood of host community. Also, in a bid to ameliorate the growing environmental and social concern, firms accrue cost in servicing the environment and attending to social needs of the host community which then puts the wealth maximization interest of shareholders at risk. As a result, issues of corporate social responsibility has risen arguments amongst scholars on how it affects the sustainable growth of the firm in terms of financial performance.

Notably, Najeb and Awni (2017) stated that, the reasons enterprises embark on social responsibility varied and four reasons were identified for firms' engagement into social responsibility activities. According to Najeb and Awni (2017), many societies realized that companies have ethical duty to take part in activities for the interest of all; whether these activities are profitable or not. Second, the sustainability concept pressures the need for the company's stewardship of non-financial services companies in Nigeria the community and the environment. Third, governments, communities and regulators provide firms with license to carry out business operations. Finally, the company's reputation can be enhanced through engaging in corporate social responsibility. Okegbe and Egbunike (2016) argued that corporate social responsibility consists not only of a company's voluntary compliance with social and environmental issues, but also its respect for existing rules and regulations in the countries where it operates and its participation in the development of these rules and regulations where they do not exist. Corporate social responsibility in both developed and developing economies are not at par due to inherent structural disparities such as weak enforcement of regulations, corruption and

lack of awareness of the basic rights of the various stakeholders. As a result, this study will examine the effect of corporate social responsibility and environmental cost on performance of listed manufacturing firms in Nigeria. The study specific objective includes to:

- i. Ascertain the effect of corporate social responsibility cost on sustainable growth rate of listed firms in Nigeria.
- ii. Determine the effect of environmental cost on sustainable growth rate of listed firms in Nigeria.

## **LITERATURE REVIEW**

### **Concept of corporate social responsibility and environmental cost**

Corporate social responsibility and environmental accounting has no single commonly accepted definition (Abdulrahman, 2013). The concept is a fuzzy one with unclear boundaries. It generally refers to business practices based on ethical values, with respect for people, communities and the environment (Amole, Adebisi & Awolaja, 2012). Hilda, Hope and Nwoye (2015) argued that corporate social responsibility comprises varying degrees of conceiving and trustworthy actions of ethical obligations to customers, employees and the community. Luper (2013), defined social responsibilities at the long-range goals of an organization inevitably focused upon its contributions to the needs of society tangible or intangible, its contribution may be in terms of goods or services or both. Again, Abdulrahman (2013) asserted that social responsibility as management's decisions and actions taken for reasons at least partially beyond the organizations direct economic or technical interest. Okegbe and Egbunike (2016) defined social responsibility as the obligation of corporate decision-makers to take actions, which protect and improve the welfare of the society which the organization does business. That is to say in addition to their economic and legal obligations, they also owe the society some responsibilities. Shruti (2014) defined corporate social responsibility disclosure as the process of communicating the social and environmental effects of organization economic actions to particular interest groups

within the society and to society at larger. Again, Shruti (2014) stated that disclosures about the firm corporate social responsibility strategy enhance corporate reputation through gaining trust and support by various stakeholders. Corporate social responsibility strategy assists to evaluate the congruence between the social value implied by corporate activities and social norms (Amole, Adebisi & Awolaja, 2012).

In Nigeria, the introduction and application of corporate social and environmental accounting is at the elementary stage, as companies especially those in manufacturing industry are taking more proactive steps towards the promotion of a sustainable environment. However, the food and beverage industry in Nigeria to some extent have been involved in optional declaration of social and environmental information (Okegbe & Egbunike, 2016). This according to Amole, Adebisi and Awolaja (2012) has remained uncertain in corporate and academic world, as most of the definitions provided have been influenced towards principal interest, which hinders the development and actualization of the concept.

### **Sustainable growth as a performance growth**

Based on Higgins (1977), sustainable growth in the business context is the maximum platform or benchmark for the company to grow their company revenue without reducing its financial resources. The combinations of a company's operating element (i.e. profit margin and asset efficiency) and financial elements (i.e. capital structure and retention ratio) into a single measurement become a very valuable financial performance for every company. In order to demonstrate the interdependencies between growth and financial policy, the increasing in annual sales adequate to supported by annual sources of corporate capital. Then, to calculate the firm's sustainable growth rate, the calculation needs to focus only on the observation that the addition to assets must equal the addition to liabilities and owners' equity. In other words, the new assets must be financed by new debt and an increase in equity can finance new

assets through retained earnings. This research will discuss corporate social responsibility cost and sustainable growth rate and the factors that are associated with a sustainable growth rate of the firm.

Kanani, Moradi and Valipour (2013) concluded that higher leverage is given higher sustainable growth rate in Van Horne model compare with Higgins model. And, Amouzes, Zahra and Zahra, (2011) found that the company's market would rise in the future and could benefit leverage. Contrary to Chen, Gupta, Lee and Lee (2013) who opined that leverage would have a negative effect on the profitability and performance of the company's growth position. Not much studies have been done to ascertain the effect of social responsibility cost of sustainable growth of firms.

### **The Milton Friedman Theory Versus The Edward Freeman Theory**

The stockholder theory is a normative business ethics theory concerning the issue of how businesses and business people should behave (Friedman, 1970). The stockholder theory is a theory about the corporation and its moral purpose and responsibilities. The main proponent of this theory is Milton Friedman in 1962. The theory holds that businesses are merely arrangements by which shareholders invest capital and hire managers to help manage the invest for possible returns.

Premised on the agency relationship between the shareholders and the managers, there are two parts to the agency relationship due to the voluntary contractual agreement between both parties. By this agreement, managers are to manage the money advanced by the stockholders, and are obligated to do so in accordance with the set purposes delineated by their shareholder. The stakeholders' theory as advanced by Friedman (1962) is mainly concerned with profit-maximization goal of the firm.

Friedman (1970) further argued that the major social responsibility strategy of a firm is to earn profits for its shareholders. Friedman (1970) argues that this is actually an important social responsibility with vast consequences. According to Friedman (1962) shareholders of many companies are average income earners who expect to earn more money by investing in stocks. Friedman (1970) argued that there is enormous social adverse impact on

shareholders expecting returns on investment when firms fail to make profit which is the ultimate goal of firms in business. This goes to show that the stakeholder theory proposed by Friedman (1962) and advanced in 1970, holds that increasing profits for the stockholders is an important social responsibility of the firm not to be taken lightly. Friedman in 1970 made it clear in his study that when firms carryout corporate social responsibility they incur additional cost to the firms which reduces the amount of profit available to the investors. Friedman (1970) argued that the first and foremost goal of a firm is profit maximization and as such the only social responsibility firms should engage in is maximization of profit to the shareholders and not engage in other aspects of corporate social responsibilities outside the scope of profit maximization in order not to incur extra cost that will counter the profit maximization goal of the firm.

The early stakeholders' theory placed investors at the center of the business activity and management attention (Freeman, 1994). The traditional stakeholder's theory advocated maximizing shareholders value because of the risk assumed by them in terms of money invested in a company but Freeman (1994) argued against such traditional preposition advanced by Friedman (1962). Freeman (1994) in his work on politics of stakeholders argued that that catering to interests of other stakeholders such as employees, customers, government and the host communities give rise to conflict of shareholders profit maximizing interest. The traditional stakeholders' theory, to an extent, suggested that if investors' interests were served, even at the cost of other stakeholders, it was acceptable (Freeman & Mouchnik, 2013).

Freeman (1984), in his stakeholder theory, argued against the traditional management model. He posited that management is responsible to protect the interests of other groups, beyond investors. Freeman defined stakeholder as any group or individual who can affect or is affected by the achievement of the organization's objectives. He included other groups such as customers, suppliers, community, and environment as the stakeholders. Freeman and Mouchnik (2013) argued that as in the case of diverse stakeholders, these groups also have a stake in a company, although not necessarily, fiduciary

in nature. Therefore, management is responsible to them and should work to maximize value for them. Hirigoyen and Poulain (2015) argued that the stakeholder approach should be limited to the narrow definition that excluded government, community, and non-human entities such as environment. Shrutti (2014) on the other hand, suggested that natural environment, its systems, and living and non-living components, can be considered stakeholders by all organizations, since all organizations significantly affect or are significantly affected by these entities with their action. Freeman's preposition is the bedrock of contemporary sustainability practice as well as corporate social responsibility strategies of firms.

### **Empirical review**

Olaf and Rezaul (2020) analyzed the connection between the sustainability performance and financial performance of Bangladeshi banks to examine the effect of the Bangladesh environmental risk management guideline. They analyzed all fifty-six listed commercial banks that are operating in Bangladesh below the guidelines of the Central Bank of Bangladesh. They gathered sampled data from publicly available reports such as annual, sustainability, and corporate social responsibility (CSR) reports, disclosed sustainability and financial data on the banks' websites. Using panel regression, they discovered that higher sustainability performance creates a greater financial performance and that better banks operate better with regard to sustainability than smaller banks.

Mohammed and Kabir (2019) examined the impact of corporate social responsibility on financial performance of listed non-financial services companies in Nigeria. They used ex-post facto research design and utilized secondary data collected from the annual report and accounts of twenty three (23) sampled listed non-financial services companies in Nigeria for a period of 10 years (2008-2017). The study data were analyzed using descriptive statistics, correlation and regression analysis (GLS Fixed Effect) with the aid of Stata Version 14.0. Robustness tests,

namely multicollinearity, heteroscedasticity, normality of residuals, Hausman specification and F-Test were conducted to validate the results. The finding of the study reveals that CSR has significant positive impact on financial performance.

Erhirhie and Ekwueme (2019), took a look at the impact of sustainability reporting on the financial performance of listed oil and gas corporations in Nigeria. They assessed the impact of company social sustainability reporting on return on assets, return on equity, and return on capital employed of oil and gas companies listed on the Nigeria Stock Exchange. Ten oil and gas firms were sampled for the study. The study utilized secondary data gathered through financial ratios and accounts of the companies and content analysis. The findings showed that social sustainability reporting exerts a negative effect on all three overall performance proxies, howbeit only its effect on return on equity was statistically significant.

Omoike, Uwalomwa, Olubukola, Ilogho and Ajetunmobi, (2018) investigated corporate social environmental reporting and its association with stock prices (using market price per share as at the financial year end) among listed firms in Nigeria. The study used a cross-sectional research design comprising 50 publicly listed companies across various sectors for the period of five years (2011–2015). For the selected firms, the annual report was used to collect the data. They utilizes the panel data regression in analyzing the influence of the independent variable (measured by corporate social and environmental expenditure) on the dependent variable measured using the market price per share) for the respective years. Also, in an attempt to examine the relatively market price per share across the sampled industries, the study made use of the one-way analysis of variance; while the Granger causality test was also conducted to ascertain whether bi-directional relationships exist between explanatory variable and the dependent variable (i.e. corporate social and environmental expenditure and market price per share). Findings from the study revealed

that the association between corporate social and environmental expenditure and the market price of the firm (when considered in aggregate) is not significant. The result from the Analysis of Variance (ANOVA) showed that the market price per share is significantly different across the industries.

Mehwish (2018) examined corporate social responsibility and its effect on financial performance, using the banking industry in Pakistan. Finding from his evaluation which was achieved using the Ordinary Least Square (OLS) regression method to determine the comparative reputation of individual variables to recognize which independent variable impacts the dependent variables represented by the sign of beta coefficients revealed that CSR has a positive influence on ROE and ROA.

Yigit and Mukhtar (2017) study the impact of corporate social responsibility dimensions on corporate financial performance of commercial banks in emerging economies, namely Turkey and Nigeria. Content analysis is performed to extract financial and corporate social responsibility disclosure records from annual reports and corporate social responsibility associated reports of banks listed on the Borsa Istanbul (BIST) and the Nigerian Stock Exchange (NSE). Panel data multiple linear regression analysis is performed to analyze the relationship between corporate social responsibility dimensions and corporate financial performance. The findings, in line with the stakeholder theory, indicate that corporate social responsibility has a positive effect on corporate financial performance in Nigeria. However, there is no statistically significant relationship between corporate social responsibility and corporate financial performance in Turkey.

## DATA ANALYSIS AND DISCUSSION

The analysis of data is presented below:

### Descriptive Statistic table

	SGR	SRC	EVC
Mean	0.434310	7.161161	5.588152
Maximum	0.994300	7.946958	6.791370
Minimum	0.026802	5.795185	4.425583
Std. Dev.	0.304529	0.577277	0.581637
Skewness	0.486165	-0.445458	-0.209040
Observations	112	112	112

## METHODOLOGY

The study adopts ex-post facto research design. Using random sampling criteria, the study selects 14 out of the 56 listed manufacturing companies on the Nigerian stock exchange as at 2021. The study adopts data from manufacturing firm because they are the firms who engage in activities capable of degrading the environment. As such it is expected they become more corporate and socially responsive. Extracted data from the audited financial statements of the sampled firms is meticulously examined and relevant data extracted from the period 2013-2020 used for analysis using panel regression.

The study formulates the following model to be used;

$$SGR_{it} = \alpha + \beta_1 EVC_{it} + \beta_2 SRC_{it} + U_{it} \dots \dots \dots \text{Model 1}$$

$\alpha$  = Constant

**SGR** = Sustainable growth rate (Retained earnings divide by total equity of the firm at a time)

**SRC** = Social responsibility cost (The log of reported cost incurred in carrying corporate social responsibility by the firm at a time).

**EVC** = Environmental cost (The log of reported cost incurred in carrying out environment conservative activities by the firm at a time).

**it** = Cross sectional data(i) Time (t)

**U** = Error term used in the model.

$\beta_1 + \beta_2$  = Beta coefficient of the independent variable.

### Decision Rule

Accept the null hypothesis if the calculated value is greater than the significant level of 0.05.



**Source: E View Output in appendix i**

The descriptive statistics table above presents data of all the variables. N represents the number of observation; therefore the number of observation for the study is 112.

To test for normality of data, the general rule of thumb for measurement of skewness (-2 to +2) is applied. The study variables (SGR, SRC & EVC) data Skewness statistic values fall between the range of -2 and +2; this indicates that the study overall data are within the normal skewness level thus qualifies for further analysis.

The reported sustainable growth (SGR) has a mean of 0.434310 with a deviation of 0.304529. The SGR also revealed a

minimum and maximum value of 0.026802 and 0.994300 respectively.

For Social Responsibility Cost (SRC) the minimum value is 5.795185 while the reported maximum value is 7.946958. Again the mean value recorded is 7.161161 with a standard deviation of 0.577277 for SRC. Furthermore, environmental cost (EVC) reported a minimum value of 4.425583 while the reported maximum value is 6.791370. Again the mean value recorded for EVC is 5.588152 with a standard deviation of 0.581637. This shows that the manufacturing companies in Nigeria incur more cost in sustaining the social need of stakeholders than the cost incurred on being responsive to the environment.

		Data validity Table		Order	Cointegration	Hausman Test
		Unit Root	Levin Prob.			
	ADF Prob.					
SGR	0.0304		0.000	I(0)	6/11 Criteria < 0.05	<b>0.8615</b>
SRC	0.0052		0.000*	I(0)		
EVC	0.000		0.000	I(1)		

\*. Correlation is significant at the 0.05 level (2-tailed).

**Source: E View Output in appendix i**

The data validity table above shows the Unit root, Cointegration and Hausman test for the independent variable and dependent variable as well as to test the validity of the model adopted. This is to ensure further proof of existence of non-linearity, normality and validity of the data adopted such that the regression result adopted will not be spurious.

From the data validity table above, the ADF and LLC statistics for unit root test revealed that both SGR and EVC data are unit root at level order while SRC is unit

root at 1<sup>st</sup> Difference order. This necessitate the conduct of cointegration test to see if the differencing sequence done on SRC variable can adjust in the long run in order to fit into an ordinary least square linear regression that takes into cognizance longrun effects. The result for Pedroni cointegration test reveal values of < 0.05 for 6 out of 11 criteria tested; which means that the data for SRC variable is mean reverting to absorb shocks in cases of long run adjustment. This became necessary for the study to adopt a panel least square regression. In order to

chose the appropriate panel estimate, the Hausman test is conducted and the result reveal a Chi square probability value of

0.8615 which means that the random estimate for firm specific variation is the most appropriate estimate for this study.

### Estimated Regression Model Summary Table

Dependent Variable: SGR

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.066028	0.507530	0.130096	0.8967
SRC	0.085735	0.087430	0.980618	0.3290
EVC	-0.043965	0.075430	-0.582858	0.5612
Effects Specification				
R-squared	0.008882	Mean dependent var		0.280719
Adjusted R-squared	-0.009303	S.D. dependent var		0.284564
S.E. of regression	0.285885	Sum squared resid		8.908579
F-statistic	0.488432	Durbin-Watson stat		1.799649
Prob(F-statistic)	0.614924			

*Source: E View Output in appendix i*

The estimated regression model summary table above presents the regression result between social responsibility cost, environmental cost and sustainable growth of the listed manufacturing firms in Nigeria. From the model summary table above, the following information can be distilled.

The  $R^2$  stood at approximately 0.008; the  $R^2$  otherwise known as the coefficient of determination shows the percentage of the total variation in the firms' sustainable growth (SGR) that can be explained by SRC and ENV. Thus the  $R^2$  value of 0.008 indicates that 0.8% of the variation in the sustainable growth of the firms can be explained by a variation in social responsibility cost and environmental cost while the remaining 99.2% (i.e.  $100-R^2$ ) could be accounted by other variables not included in this model like operational performance factors or government regulations.

The adjusted  $R^2$  of approximately -0.009 indicates that if the model is adjusted and operational factors or government regulations for mandatory corporate social responsibility implementation is

considered for this study, this result will deviate by only 0.017 (i.e.  $0.008 - -0.009$ ). This means there will be a deviation from the current result by 1.7%. This deviation is not too high above the error term of 5% to say that the result of this study does not reflect the true nature of the effect of corporate social responsibility on sustainable growth of listed firms in Nigeria. The table further shows the Fisher (0.488432) insignificant probability value of 0.614924; which indicates that the set of independent variables were as a whole not contributing to the variance in the dependent variable in a significant way.

Furthermore, the regression result as presented in the estimated regression model table above to determine the relationship between SRC, EVC and SGR shows that when the independent variables are held stationary; the SGR variable is estimated at 0.066028. This simply implies that when all variables are held constant in the short-run, there will be an increase in the SGR of listed firms up to the tune 6.6% occasioned by short run factors not considered. After adjustment for long run (Beta), a unit increase in SRC will lead to an increase in SGR of the firms by 8.5% as

stakeholders will perceive the increase in social responsibility cost to be an index of increased sustainable growth because it is assumed that only firms who are making profit and have reserves can contribute to social responsibility projects. On the other hand, a unit increase in EVC will lead to decrease in the reported SGR by 4.3%. This is perceived to be an extra weighted cost on firms who have already spent on social responsiveness to stakeholders.

***H0<sub>1</sub>:** Social responsibility cost has no significant effect on sustainable growth of listed firms in Nigeria.*

Given that the accepted significant level is 0.05 and the calculated value for social responsibility cost (0.3290) with a t-value of 0.980618 is greater than the accepted significant level of 0.05, the study accepts the null hypothesis and rejects the alternative hypothesis. Thus, social responsibility cost has no significant effect (positive) on sustainable growth of listed firms in Nigeria.

***H0<sub>2</sub>:** Environmental cost has no significant effect on sustainable growth of listed firms in Nigeria.*

Given that the accepted significant level is 0.05 and the calculated value for environmental cost (0.5612) with a t-value of -0.582858 is greater than the accepted significant level of 0.05, the study accepts the null hypothesis and rejects the alternative hypothesis. Thus, environmental cost has no significant effect (Negative) on sustainable growth of listed firms in Nigeria.

### **Criticism of manufacturing firms corporate social responsibility in line with Friedman and Freeman theory**

Looking at the corporate social responsibility strategy adopted by

manufacturing firms in Nigeria after a thorough review of the firms' annual reports, it is deduced that the core focus of the firms' corporate social responsibility is tailored towards social responsibility and that of environmental cost is not cost efficient. In line with the Friedman (1962) which was premised on the idea that firm exist for the sole purpose of making profit, it is against profit maximization motive that the bank has incurred expenses in carrying out huge social responsibilities to employees, the community and the environment without actually reporting it's fundamental responsibility of profit maximization to the shareholders. Hirigoyen and Poulain (2015) have argued that the stakeholder approach should be limited to the narrow definition that excludes government, community, and non-human entities such as environment. Going by this preposition which is tailored towards the direction of the stakeholders theory put forward by Friedman in 1962, then it is glaring the additional cost incurred by the firms in carrying out the various corporate social responsibility especially environmental responsive activities is not necessary. Notwithstanding, there is need to consider the contemporary issue of business sustainability which is championed globally by different groups who are key stakeholders to the firms in regards to the criticism put forward by this study in line with the Friedman (1962) theory.

In lending credence to contemporary best business practices that is globally accepted, it is right to counter the corporate social responsibility activities of the firms with the preposition of Freeman (1984) and Freeman (1994). Freeman's theoretical preposition gives room for consideration of other critical stakeholders in planning corporate social responsibility strategies of the bank. By so doing, the manufacturing firms has expended a huge amount of money on conservation of the eco-system,

employee advancement, host community development and gender inclusion. This is done to ensure that while profit is made, the critical stakeholders needed for the sustainability and continued operation of the firms is preserved. This was same reason Freeman and Mouchnik (2013) made a strong argument in support of the firms making extra expenses for corporate social responsibility because if the factors, parameters and stakeholders are not sustained through corporate social responsibility strategies, the firms faces the threat of non continued existence and as such even the profit maximization motive cannot be sustained. The major flaw of firms' corporate social responsibility strategy vis-à-vis the Freeman (1984) stakeholders preposition is the firms inability to expand it's corporate social responsibility to stakeholders other than, the customers, employees, communities and the environment. The firms did little for the government.

### Conclusion

In consonance with the criticism noted above, the study has come to the following conclusion:

- i. The firms over time have incurred enormous cost as expenses for carrying out corporate social responsibility to various stakeholders in the form of employee advancement, local community development but this has no significant effect on sustainable growth of the firms.
- ii. The firms through it's corporate social responsibility to the various

stakeholders has proven to be ethical responsible to the environment. This gesture beyond the expenses incurred has improved to reduce the sustainable growth of the firm although insignificantly.

### Recommendation

As a result of the conclusion above, the following recommendation becomes imperative;

- i. The firms should endeavor to carryout corporate social responsibility that are cost efficient and effective. This will help mitigate the adverse effect of corporate social responsibility activities of the firms, at same time help build the goodwill of the firms as well as increase the sustainable growth of the firms.
- ii. Corporate social responsibility and environmental cost accounting are contemporary global phenomenon of businesses over the world. International agencies and governments are external stakeholders of the firm with key interest in the corporate responsibility and environmental activities of the firms. Therefore, the firms must sustain the current corporate social responsibility and environmental responsive strategies and improve on ways to be cost efficient to the shareholders as well as maintain an effective corporate social responsibility and environmental responsive strategies that will put the firms in good light.

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## Appendix I

### List of E view result

	SGR	SRC	EVC
Mean	0.434310	7.161161	5.588152
Median	0.345731	7.356869	5.623244
Maximum	0.994300	7.946958	6.791370
Minimum	0.026802	5.795185	4.425583
Std. Dev.	0.304529	0.577277	0.581637
Skewness	0.486165	-0.445458	-0.209040
Kurtosis	1.777160	1.955675	2.494654
Jarque-Bera	11.39023	8.793614	2.007437
Probability	0.003362	0.012317	0.366514
Sum	48.64269	802.0500	625.8730
Sum Sq. Dev.	10.29392	36.99063	37.55152
Observations	112	112	112

#### Panel unit root test: Summary

Series: SGR

Date: 09/15/21 Time: 15:48

Sample: 2013 2020

Exogenous variables: Individual effects

Automatic selection of maximum lags

Automatic lag length selection based on SIC: 0 to 1

Newey-West automatic bandwidth selection and Bartlett kernel

Method	Statistic	Prob.**	Cross-sections	Obs
Null: Unit root (assumes common unit root process)				
Levin, Lin & Chu t*	-5.15035	0.0000	14	95
Null: Unit root (assumes individual unit root process)				
Im, Pesaran and Shin W-stat	-1.66739	0.0477	14	95
ADF - Fisher Chi-square	43.6077	0.0304	14	95
PP - Fisher Chi-square	58.7531	0.0006	14	98

\*\* Probabilities for Fisher tests are computed using an asymptotic Chi-square distribution. All other tests assume asymptotic normality.

#### Panel unit root test: Summary

Series: SRC

Date: 09/15/21 Time: 15:48

Sample: 2013 2020

Exogenous variables: Individual effects

Automatic selection of maximum lags

Automatic lag length selection based on SIC: 0 to 1

Newey-West automatic bandwidth selection and Bartlett kernel

Method	Statistic	Prob.**	Cross-sections	Obs
Null: Unit root (assumes common unit root process)				
Levin, Lin & Chu t*	-10.7764	0.0000	14	92
Null: Unit root (assumes individual unit root process)				

Im, Pesaran and Shin W-stat	-4.36737	0.0000	14	92
ADF - Fisher Chi-square	50.8559	0.0052	14	92
PP - Fisher Chi-square	69.1854	0.0000	14	98

\*\* Probabilities for Fisher tests are computed using an asymptotic Chi-square distribution. All other tests assume asymptotic normality.

Panel unit root test: Summary

Series: EVC

Date: 09/15/21 Time: 15:49

Sample: 2013 2020

Exogenous variables: Individual effects

Automatic selection of maximum lags

Automatic lag length selection based on SIC: 0 to 1

Newey-West automatic bandwidth selection and Bartlett kernel

Method	Statistic	Prob.**	Cross-sections	Obs
Null: Unit root (assumes common unit root process)				
Levin, Lin & Chu t*	0.23802	0.5941	14	90
Null: Unit root (assumes individual unit root process)				
Im, Pesaran and Shin W-stat	-0.80939	0.2091	14	90
ADF - Fisher Chi-square	35.8616	0.1462	14	90
PP - Fisher Chi-square	60.9561	0.0003	14	98

\*\* Probabilities for Fisher tests are computed using an asymptotic Chi-square distribution. All other tests assume asymptotic normality.

Panel unit root test: Summary

Series: D(EVC)

Date: 09/15/21 Time: 15:49

Sample: 2013 2020

Exogenous variables: Individual effects

Automatic selection of maximum lags

Automatic lag length selection based on SIC: 0

Newey-West automatic bandwidth selection and Bartlett kernel

Balanced observations for each test

Method	Statistic	Prob.**	Cross-sections	Obs
Null: Unit root (assumes common unit root process)				
Levin, Lin & Chu t*	-27.2988	0.0000	14	84
Null: Unit root (assumes individual unit root process)				
Im, Pesaran and Shin W-stat	-10.1213	0.0000	14	84
ADF - Fisher Chi-square	98.8087	0.0000	14	84
PP - Fisher Chi-square	119.237	0.0000	14	84

\*\* Probabilities for Fisher tests are computed using an asymptotic Chi-square distribution. All other tests assume asymptotic normality.

## Cointegration

Pedroni Residual Cointegration Test

Series: SGR SRC EVC

Date: 09/15/21 Time: 15:50

Sample: 2013 2020

Included observations: 112

Cross-sections included: 14

Null Hypothesis: No cointegration

Trend assumption: No deterministic trend



Automatic lag length selection based on SIC with a max lag of 0  
Newey-West automatic bandwidth selection and Bartlett kernel

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Alternative hypothesis: common AR coefs. (within-dimension)

	Statistic	Prob.	Weighted Statistic	Prob.
Panel v-Statistic	-0.229295	0.5907	-1.409766	0.9207
Panel rho-Statistic	-0.055356	0.4779	0.536843	0.7043
Panel PP-Statistic	-9.542791	0.0000	-7.164456	0.0000
Panel ADF-Statistic	-7.409070	0.0000	-5.581402	0.0000

Alternative hypothesis: individual AR coefs. (between-dimension)

	Statistic	Prob.
Group rho-Statistic	1.981238	0.9762
Group PP-Statistic	-9.751133	0.0000
Group ADF-Statistic	-7.008621	0.0000

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Cross section specific results

Phillips-Peron results (non-parametric)

Cross ID	AR(1)	Variance	HAC	Bandwidth	Obs
OKOMU	-0.017	0.043262	0.013017	6.00	7
LIVESTOCK	-0.495	0.077018	0.022757	6.00	7
UAC	-0.527	0.015708	0.015708	0.00	7
CHELLAREM	-0.243	0.013638	0.003492	6.00	7
GLAXO	-0.449	0.062323	0.049296	3.00	7
MAYBAKER	-0.269	0.011643	0.011578	1.00	7
DANCEM	-0.576	0.045133	0.045133	0.00	7
BETAGLAS	-0.352	0.042129	0.017382	6.00	7
ALLUMEX	-0.205	0.048448	0.009424	6.00	7
BOCGAS	-0.492	0.025147	0.025147	0.00	7
MRS	-0.337	0.046229	0.039657	2.00	7
ETERNA	-0.763	0.014802	0.008259	5.00	7
CADBURY	-0.432	0.057962	0.024195	5.00	7
PZ	0.627	0.004435	0.005511	1.00	7

Augmented Dickey-Fuller results (parametric)

Cross ID	AR(1)	Variance	Lag	Max lag	Obs
OKOMU	-0.017	0.043262	0	0	7
LIVESTOCK	-0.495	0.077018	0	0	7
UAC	-0.527	0.015708	0	0	7
CHELLAREM	-0.243	0.013638	0	0	7
GLAXO	-0.449	0.062323	0	0	7
MAYBAKER	-0.269	0.011643	0	0	7
DANCEM	-0.576	0.045133	0	0	7
BETAGLAS	-0.352	0.042129	0	0	7
ALLUMEX	-0.205	0.048448	0	0	7
BOCGAS	-0.492	0.025147	0	0	7
MRS	-0.337	0.046229	0	0	7
ETERNA	-0.763	0.014802	0	0	7
CADBURY	-0.432	0.057962	0	0	7
PZ	0.627	0.004435	0	0	7

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### Model test

Dependent Variable: SGR  
Method: Panel Least Squares  
Date: 09/15/21 Time: 15:51  
Sample: 2013 2020

Periods included: 8  
 Cross-sections included: 14  
 Total panel (balanced) observations: 112

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.112228	0.362597	0.309513	0.7575
SRC	0.071505	0.071579	0.998972	0.3200
EVC	-0.033996	0.071042	-0.478541	0.6332
R-squared	0.010059	Mean dependent var		0.434310
Adjusted R-squared	-0.008105	S.D. dependent var		0.304529
S.E. of regression	0.305761	Akaike info criterion		0.494393
Sum squared resid	10.19037	Schwarz criterion		0.567209
Log likelihood	-24.68598	Hannan-Quinn criter.		0.523937
F-statistic	0.553792	Durbin-Watson stat		1.575051
Prob(F-statistic)	0.576374			

Dependent Variable: SGR  
 Method: Panel Least Squares  
 Date: 09/15/21 Time: 15:52  
 Sample: 2013 2020  
 Periods included: 8  
 Cross-sections included: 14  
 Total panel (balanced) observations: 112

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-1.624241	1.655658	-0.981024	0.3292
SRC	0.326574	0.229015	1.425994	0.1574
EVC	-0.050123	0.087782	-0.570997	0.5694

Effects Specification

Cross-section fixed (dummy variables)  
 Period fixed (dummy variables)

R-squared	0.262596	Mean dependent var		0.434310
Adjusted R-squared	0.080317	S.D. dependent var		0.304529
S.E. of regression	0.292044	Akaike info criterion		0.557025
Sum squared resid	7.590770	Schwarz criterion		1.115289
Log likelihood	-8.193426	Hannan-Quinn criter.		0.783531
F-statistic	1.440625	Durbin-Watson stat		2.012838
Prob(F-statistic)	0.118017			

Dependent Variable: SGR  
 Method: Panel EGLS (Cross-section random effects)  
 Date: 09/15/21 Time: 15:53  
 Sample: 2013 2020  
 Periods included: 8  
 Cross-sections included: 14  
 Total panel (balanced) observations: 112  
 Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.066028	0.507530	0.130096	0.8967
SRC	0.085735	0.087430	0.980618	0.3290
EVC	-0.043965	0.075430	-0.582858	0.5612

Effects Specification

	S.D.	Rho
Cross-section random	0.120264	0.1484
Idiosyncratic random	0.288143	0.8516

Weighted Statistics			
R-squared	0.008882	Mean dependent var	0.280719
Adjusted R-squared	-0.009303	S.D. dependent var	0.284564
S.E. of regression	0.285885	Sum squared resid	8.908579
F-statistic	0.488432	Durbin-Watson stat	1.799649
Prob(F-statistic)	0.614924		
Unweighted Statistics			
R-squared	0.009700	Mean dependent var	0.434310
Sum squared resid	10.19406	Durbin-Watson stat	1.572711

Correlated Random Effects - Hausman Test

Equation: Untitled

Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.298137	2	0.8615

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
SRC	0.168982	0.085735	0.029163	0.6259
EVC	-0.049788	-0.043965	0.001522	0.8813

Cross-section random effects test equation:

Dependent Variable: SGR

Method: Panel Least Squares

Date: 09/15/21 Time: 15:53

Sample: 2013 2020

Periods included: 8

Cross-sections included: 14

Total panel (balanced) observations: 112

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.497572	1.378603	-0.360925	0.7189
SRC	0.168982	0.191851	0.880797	0.3806
EVC	-0.049788	0.084922	-0.586282	0.5591

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.225704	Mean dependent var	0.434310
Adjusted R-squared	0.104721	S.D. dependent var	0.304529
S.E. of regression	0.288143	Akaike info criterion	0.480844
Sum squared resid	7.970535	Schwarz criterion	0.869201
Log likelihood	-10.92727	Hannan-Quinn criter.	0.638413
F-statistic	1.865576	Durbin-Watson stat	2.021046
Prob(F-statistic)	0.036362		

# **Effect of Work Motivation on Individual work Performance: The Roles of Job Satisfaction and Job Stress**

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## **ABSTRACT**

*This study examined the relationship between employee work motivation and individual work performance and the role of job satisfaction and job stress within this relationship. Design of this study was cross-sectional, and data were collected with self-report measure. One hundred and ninety-five employees were drawn from 23 public and private organizations in Delta State, Nigeria. The participants were made of 102 (52.31%) females and 93 (47.69%) males, with the mean age of 37.82 (SD = 6.71). Simple regression analysis revealed that employee work motivation positively and significantly predicted individual performance. Mediation analysis revealed that job satisfaction partially mediates the relationship while job stress was a significant moderator of the relationship. It was concluded that the employee work motivation influences their individual performance partially through their satisfaction with their jobs and the relationship can be strengthened or weakened by feelings of stress. It was recommended that for successful deployment of motivational strategies to enhance work performance, managers should select those that have proven to be satisfying to employees as well as reduce work stressors.*

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## **Introduction**

Above all else, all organization desires to function optimally and effectively (Nwanzu & Babalola, 2019). However, the success of any organization is fundamentally hinged on the outputs of the personnel. Organizations has goals which can only be achieved by the efforts of personnel working therein. In the field of organizational and personnel studies, employee performance is gaining increased acceptance as a measure or index of organizational productiveness and efficiency (Pradhan & Jena, 2017). In the strictest sense, what is known as “organizational performance” is an aggregate and function of the performance of its personnel. Even as technology is being fast-tracked into the workplace and robots are now replacing humans in some job roles, it is still generally agreed that organizations and systems are people. Thus, personnel work performance is a critical component of organizational performance. Personnel work performance is a key construct in organizational studies to such great extent that staff recruitment is heavily reliant on the principle of choosing from a list of applicants those who are expected to have better performance on the job in comparison to those not chosen (Viswesvaran & Ones, 2000). They further observed that much of human resources practices such as training, learning and development, job evaluation, performance appraisal, placement for job fit, and reward system are either to the end of improving individual work performance or utilize data personnel work performance data. Against this backdrop, the relevance of individual work performance and an appropriate understanding of same – its antecedent, consequence, facets, and measurement – cannot be overemphasized as much of organizational theories and practices has it in its core either implicitly or explicitly.

Individual work performance has been defined in many ways by varied authors with each definition informing the author’s conceptualization and measurement of the construct. individual work performance refers to a set of behaviors exhibited by employees that are of probable value to the organizational goals and support the overall organizational climate (Motowildo & Kell, 2012; Nwanzu & Uche-Okolo, 2017). The concept of individual

work performance does not include nor is it restricted to the results of employee’s behavior but only the behaviors themselves as there are other influencing factors in results (Motowildo & Kell, 2012; Aguinis, 2019). Kooopsman et al. (2011) differentiated between productivity and performance as both have been used interchangeably as performance is a broader construct than productivity which has been conceptualized as input over output. In research, interest surrounding variables are usually to the end of establishing its predictors/antecedents/causes, its effect on other constructs, or its indicators. In the case of personnel work performance, because the construct is arguably in and of itself the desired “end-point” or a key factor in the fulfillment of organizational objectives, it is usually studied in a bid to prove its predictors/antecedents/causes and indicators. In this study, employee motivation is selected as an antecedent to individual work performance.

Motivation, the drive either internal or external to the individual to behave in specific ways (Ek & Mukuru, 2013) has been linked to individual work performance. Motivation refers to the degree an employee is willing to exert or expend energy on the job, to the extent that such action also meet some needs (Sesay, et al., 2017). It has been argued that motivation is just as important to individual work performance as the latter is to organizational performance (Zameer, Ali, Nisar, & Amir, 2014). This is reliant on the premise that human resource stands as the most vital assets in the organization and motivation, undisputedly is the key that unlocks all of the skills, traits, abilities, and characteristics of the individual in the workplace. This thought has been echoed by Osabiya (2015) who observed that the goal-attainment of any organization can be linked to the motivated personnel in that organization. The role of motivation in organizations has been largely documented in extant literature especially its relationship with job performance. However, the role of other relevant work construct in this relationship has not been given adequate attention. Factors have been identified that can influence employee motivation in organizations (see Ek & Mukuru, 2013; Aliyu, 2019). Particular amongst these are the work itself, work conditions, recognition, pay, supervision

which have also been implicated as influencing factors to two other work constructs – job satisfaction and occupational stress (see Ndulue & Ekechukwu, 2016). It thus remains to be empirically validated whether job satisfaction and occupational stress are influencing factors in the relationship between employee work motivation and their performance as the literature suggests. Consequently, this study investigated the relationship between employee motivation and their job performances and the role of job satisfaction and occupational stress in this relationship.

## **Literature Review**

### **Individual work performance**

In understanding and measuring the performance of employees, their actions and inactions are taken into consideration (Shahzadi, et al., 2015). The very conceptual meaning of performance rests on its measurement hence there is variety in the former. However, a review of literature dating back a few years shows a consistent pattern of measurement as performance is measured as constituting four dimensions – task performance, contextual performance, adaptive performance, and counterproductive work behavior (Koopmans et al., 2011; Yusoff, Ali, & Khan, 2014; Nwanzu & Uche-Okolo, 2017). Task performance refers to the competence with which a worker carries out the central significant or specialized aspects of their job (Koopmans, 2014). These behaviors include mastery in the facts and procedures of the job, aptness, and competence in the technical, administrative and leadership aspects of the job (Yusoff, Ali, & Khan, 2014). Contextual performance refers to prosocial behavior or extra-role behaviors displayed by employees in the workplace that benefits the organization and its overall goals (Pradhan & Jena, 2016). They are extra-role behaviors because though they are required of workers but they do not form part of his/her job description like job-specific functions. These behaviors include mentoring new employees, volunteering for extra work or over time, team work and collaboration on tasks, supporting management decisions, altruism, and showing initiative. Adaptive performance refers to personnel's ability to adjust their behavior in order to cope with changing work situations,

conditions or work-roles (Koopmans et al., 2011; Pradhan & Jena, 2016). The work environment is constantly changing as policies both internal and external to the organization is dynamic. An organization's internal policy can change in response to changes in government policies, market demands, or the activities of its competitors. Whichever way, for the organization to persist in its surviving and thriving, certain changes must be made that will affect its personnel as they are the "end-effector" of these changes. Adaptive performance therefore forms a crucial dimension of individual work performance as inability to respond to the dynamism of the work environment can ultimately affect individual and organizational performance. Koopmans et al. (2011) argued that although some authors have fixed adaptive performance under contextual performance, it does not seamlessly suit into the dimension and previous research have provide evidence of it being a separate independent dimension. Workplace deviant behaviors also termed counterproductive work behaviors are behaviors with potentiality of being destructive to the organizations and its members (Koopmans et al., 2011). Absenteeism, lack of punctuality, taking more breaks than necessary, using working hours for leisure, theft, quarreling, speaking ill of the organizations and its members to outsiders, and theft are variety of behaviors that are counterproductive to organizational goals.

### **Employee Motivation**

The unwavering interest surrounding motivation is premised on the fact that it provides answer to the "why" of behavior; it attempts to explain the reason behind human behavior. Sesay et al. (2017) observed that an exact definition of the concept is problematic due to its multitudinous features and the influences of the subjectivity of the individual and their interaction with the environment. All given definition of the concepts are at best an attempt to describe what it is –its process, state, and determinant – and this pursuit has birthed many theories and frameworks integrating two or more of these theories. Employee motivation is referred to as "a set of energetic forces that originates both within as well as beyond an individual's being, to initiate work-related behavior, and to determine its form, direction, intensity and duration" (Pinder, 1998,

p. 11). It is seen from the aforementioned that motivation does not only actuate behaviors in the workplace but also defines its form, energizes it, directs it, and sustains it. The directional aspect of motivation implies that both negative and positive work behavior have a motivational basis. Tremblay et al. (2010) noted that the extent to which workers are motivated is seen in how attentive they are to work-related task, effort expended on same, and their continuance and measuring factors that can influence these are critical for appropriating motivation as well as initiating mechanisms that increases it and its outcomes in the organizations.

Breaugh, Ritz, and Alfes (2018) noted that, personnel motivation can be of two types such as extrinsic and intrinsic motivation. Extrinsic motivation come from things or factors that are outside the individual e.g., promotion, social recognition, money, fame materials, achievements, salary, fringe benefits, security, contract of service, the work environment and conditions of service. Armstrong (2016) noted that, extrinsic motivation can have an immediate and powerful effect on the personnel, but will not necessarily last long. When an employee is motivated with the items above, productivity and employee job performance will be increased. This will potently enable management to achieve designed goals. Intrinsic motivation comes from within; it comes from personal enjoyment and educational achievement that drives an individual to do a particular thing. Intrinsic motivation is related to self-generated and psychological factors that influence people to behave in a certain way. These include: opportunity to use one's ability at work, challenging work opportunity and being treated fairly. Jacoby (2018) noted that the people with intrinsic motivation are internally motivated or are self-motivated people, and for the performing their job well, they just don't need other rewards. They actually enjoy doing the challenging jobs and completing their targets efficiently. Intrinsic motivators are concerned with the quality of work life and are more likely to have a deeper, stronger and long-term effect because they are not imposed from outside. (Mullins, 2015; Vanek, 2017).

### **Employee Motivation and Individual work Performance**

Research has asserted and continually so, positive relationship between employee motivation and their job performance (Robescu&Iancu, 2016).For instance, Risambessy, Swasto, Thoyib, and Astuti (2012) found a significant effect of motivation and employee performance amongst health workers in Indonesia.Owusu (2012) studied motivation as a bi-dimensional construct and found intrinsic and extrinsic motivation to have an effect on job performance of librarians in public universities in GhanaEk and Mukuru (2013) also found motivation to be a positive correlate of job performance amongst staff of a technical training institute in Kenya. Shahzadi et al. (2014) did found employee motivation to be a significant predictor of employee performance using a sample of teachers in Pakistan.Zameer, Ali, Nisar, and Amir (2014) also in a study in Pakistan showed employee motivation to significantly predict individual work performance using workers in the beverage industry.Kahungya (2016) study revealed a positive relationship between certain motivational strategies – salary, allowances/benefits, recognition, promotion, and perceived organizational support – and individual work performance in Tanzania.Girdwichai and Sriviboon (2020) using a sample of academic staffs of business schools in Indonesia observed that employee motivation is positively related to their job performance and this relationship is mediated by employee's training.Owotutu (2010) also observed a positive relationship between motivation and employee performance within mid-level staffs in a manufacturing company in Nigeria. Kuvaas et al. (2017) explored how the types of motivation influences performance in three separate studies using employees across different industry in Norway and found that intrinsic motivation positively correlates with job performance while extrinsic motivation negatively correlates with job performance. They explained taking cue from previous empirical outcome (see Jenkins, Mitra, Gupta, & Shaw, 1998;Lazear, 2000; Weibel, Rost, &Osterloh, 2010; Bareket-Bojmel, Hochman, &Ariely, 2014) that using money or the like as incentive for performance does not necessarily lead to performance as its effect is mostly felt in jobs that involved



uncomplicated, routine, uninspiring, and quantitative tasks. In jobs involving tasks that are opposed to the aforementioned, it is either unrelated or negatively related to extrinsic motivation. This is not very shocking as the dynamism of the workplace and human needs have decreased the potency of money as a motivator as employees continually realized that money cannot do much for their psychological wellbeing past satisfying their fundamental needs (Seligman, 2002). However, it is expected that motivation as a composite whole will positively relate with employee job performance as past research has suggested. Consequently, it is hypothesized that:

H1: employee motivation significantly predicts employee job performance

### **Job Satisfaction as a Mediator**

The import of job satisfaction in organizational studies is derived from the relevance of the employee's feelings about the job and the significance of same (Omreore, 2020). Locke (1969, p. 316) defined job satisfaction as "the pleasurable emotional state resulting from the appraisal of one's job as achieving or facilitating the achievement of one's job values". It is simply the extent to which individuals are pleased with their job or some aspects of it. Karodia, Motlou, and Singh (2016) pointed out some factors repeatedly observed in extant literature to influence satisfaction of employees: organizational policies and culture, bureaucratic procedures and communication, working conditions, job security, promotions, and leadership / management style. Omreore (2020) asserted that a significant number of study examining job satisfaction is due to its relationship with desired work outcomes including job performance and same has been found to mediate the relationships between job characteristics and individual/organizational outcomes. Accordingly, the mediating role of job satisfaction has been investigated in work literature. For instance, Olcer (2015) observed that job satisfaction mediated the relationship between dimensions of psychological empowerment – a construct closely linked to intrinsic motivation – and job performance. Bashir, Amir, Jawaad and Hasan (2020) also observed that job satisfaction mediated the relationship between working conditions and job performance. Rukayah, Musnadi, and Majid (2019) also found job satisfaction to

mediate the effects of compensation and organizational culture on employee performance. However, the mediating effects of job satisfaction on the relationship between motivation and employee job performance has not been given the needed attention. Related studies have found motivation as a significant correlate/predictor/antecedent to job satisfaction (e.g., Ali, Bin, Piang, & Ali, 2016; Harinoto & Iman, 2018; Idiegbeyan-Ose, Aregbesola, Owolabi, & Eyiolorunshe, 2019; Paais & Pattiruhu, 2020; Carvalho, Riana, & Soares, 2020). The effect of job satisfaction on job performance has been largely documented in the literature also and it is fitting to hypothesized this effect might be a mediatory role between motivation and job performance. For example, an employee is only motivated to the extent that the work or aspects/characteristics of it satisfies a need. Thus, an employee who is not satisfied with the motivational schemes or the work itself might not expend effort on work-related task. Buford, Bedeian, and Lindner (1995) corroborate this further when they observed that motivation results in job satisfaction which in turn impacts performance. Herzberg (1966) two-factor theory posits that certain motivating factors inherent in the job can prove highly satisfying and produce good work performance. Against this backdrop, the following is hypothesized:

H2: *Job satisfaction will mediate the relationship between employee motivation and individual work performance*

### **Job Stress as a Moderator**

Job stress refers to strain or discomforting feelings felt by employees as a result of perceiving work demands to exceed one's ability to cope (Jamal, 1985; Noermijati & Primasari, 2015). Job stress can result in varied psychophysiological and behavioral muddles and consequently affect the psychological and physical health of employees (Wani, 2013). Li et al. (2014) noted that arduous workload, inadequate resources, relationships with coworkers and superiors, lack of opportunities for growth and promotion, and professional contempt are significant source of stressors. These can be grouped into core work-related task, job role, professional advancement, organizational structure and



climate, and work relationships and further grouped into work-task stress and work-role stress (Cooper & Marshall, 1976; Riggio, 2003). Job stress is not always negative as some level of stress (mild to moderate) can be positive as it stimulates employees towards improved performance. Nonetheless, high levels of stress have been observed to have a negative and debilitating effect on employee job performance (see Olaniyi, 2013; Noermijati & Primasari, 2015; Zeb, Saeed, & Rehman, 2015; Murali, Basit, & Hassan, 2017; Fonkeng, 2018; Deng et al., 2019; Harini, Maulana, Sudarijati, Juniarti, 2020). Its role in moderating the relationship between motivation and employee job performance has not been studied even though significant negative relationship have been found between motivation and job stress. However, reference can be made to Vroom (1964) expectancy theory of motivation which posits that people are motivated by how much they want something and how likely they think they are to get it. That is, individuals will be motivated to achieve a desired goal as long as they expect their actions will achieve the goal. He suggested that motivation leads to efforts and the efforts combined with employees' ability together with environment factors will interplay resulting to performance. Thus, environmental factors, stressors such as role overload and heavy workload in this context, can impact an employee perception of goal attainment and self-efficacy beliefs thereby resulting in decreased motivation, lowered effort, and ultimately poor work performance. Thus, the following is hypothesized:

H3: job stress will moderate the relationship between motivation and employee performance

## **Methods**

### **Participants**

One hundred and ninety-five participants ( $M = 37.82$ ,  $SD = 6.71$ ) purposely sampled from 23 public-owned and private organizations furnished this study with the data for analysis. The sampled organizations include 7 financial institutions, 8 secondary educational institutions, 5 hotels, and 3 logistics and transport company, all in Delta State. This was informed by Dennis and Fey (2000)

submission that using higher number of sampled organizations and relatively less respondents in each organization produces outcomes that can be better generalized to other situational context. The choice of the sample was further influenced by extant literature showing the variables under study to be a source of concern and research effort in the above-listed profession. The respondent sample comprises 48% males and 52% females; 61% married and 39% unmarried; 11% Senior School Certificate Examinations, 41% Ordinary Level Diplomas/ National Certificate of Education, 48% Bachelor of Sciences and its equivalents. Ages ranged from 18-59 years with significant number of the participants being in the 25-38 years category. About 74% of the sampled organizations were private-owned while the other 26% were government establishments. The participants were non-managerial staff members of the various sampled organizations.

The survey was carried out in two ways. Firstly, onsite visit was paid to the secondary schools and transport and logistics company and with permission granted by the managers/principals depending on the organizations, the paper questionnaire was then distributed. Secondly, onsite visit was paid to the remaining organizations and the researcher spoke with the human resource manager or administrative manager who then collected an online copy of the questionnaire created using Google Forms. The link to the questionnaire was then sent by the managers to the participants via their work WhatsApp platform and work e-mail. The questionnaire began with a section on participants demography, and then questions on employee motivation, job satisfaction, job stress, and job performance followed in that exact order. Participation was voluntary and no incentive was used.

### **Measures**

Motivation was measured using the multidimensional Motivation at Work Scale (MAWS) developed by Gagne et al. (2010). The scale was developed based on Deci and Ryan (1985) self-determination theory of motivation. Gagne et al. (2010) emphasize that the scale is intended to measure the two types of motivation – intrinsic and extrinsic. Extrinsic motivation is further subdivided into

three classes; identified, introjected, and external regulation. Extrinsic motivation as understood within the context of the workplace refers to working a job as a means to an end. The subjective nature of this “end” infers that it is not the same for every worker. Thus, the further subdivision of extrinsic motivation represents an attempt to have a basic grouping of these “ends”. Thus, MAWS had 12 structured items measuring each of these four subscales with 3 items per scale. The scale has a reliability of 0.89 (O’Driscoll, Brough & Kalliath, 2004) in the authors original research and obtains responses on a point Likert type scale ranging from 5 = exactly to 1 = not at all.

Job satisfaction was measured in this study as a uni-dimensional construct using Brayfield and Rothe (1951) Index of Job Satisfaction. The scale is a self-report structured and standardized instrument originally composed 18 items. However, the shorter version with five items (SIJS) was used for this study. Sinval and Maroco (2020) remarked that the scale had some advantages such as its good psychometric properties and its cross-cultural applicability which have both been tested over time and across cultures. The scale elicit response on a five-point Likert-type form (1 – “Strongly Disagree”, 2 – “Disagree”, 3 – “Undecided”, 4 – “Agree”, 5 – “Strongly Agree”) two of those items are reversed. Some sample items are: “I feel fairly satisfied with my present job”; and “I find real enjoyment in my work”. Many authors have affirmed the validity evidence based on the internal structure in terms of internal consistency; Judge, Bono, and Locke (2000) reported a coefficient of .89) while Judge, Erez, Bono, and Thorensen (2003) reported an  $\alpha$  of .82 to .83 in another study.

Job stress was measured using the Workplace Stress Scale (WSS) developed by the Marlin Company and the American Institute of Stress and published in 2009. As a self-report measure assessing the degree to which employees experience stress at the workplace, it consists of eight items which measure workplace stress at low, mild, moderate, severe, and very severe level. Examples of items in the scale include: “conditions at work are unpleasant or sometimes even unsafe”; and “I have too much work to do and/or too many unreasonable deadlines”. The scale is in the five-point Likert

response format, ranging from never (scored 1) to very often (scored 5). High scores are suggestive of higher degrees of job stress. Soltan, Al-Hassanin, Soliman, and Gohar (2020) reported a Cronbach’s alpha reliability coefficient of 0.80 for the scale.

Individual work performance was measured in this study using the tri-dimensional Pradhan and Jena (2017) Employee Performance at Workplace (EPW) scale. The scale was developed based on their conceptual framework on what constitute employee performance. They built their framework on reviewed literature and interviews from leading academicians and industry professionals. The EPW measures individual performance on three dimensions: task performance, adaptive performance, and contextual performance. Using 23 structured items, it measures each of these dimensions; 6 items for task performance, 7 for adaptive performance, and 10 for contextual performance. The full model has attained an acceptable model fit at  $\chi^2 = 362.128$ ,  $df = 225$ ,  $p = 0.00$ , (Comparative Fit Index) CFI = 0.964, and RMSEA = 0.041. The authors in their research also reported a reliability coefficient of 0.80 on the total scale along with the three subscales ( $\alpha$  ranging from 0.80 to 0.91). and responses are obtained on a 5-point Likert type scale ranging from 5 = strongly agree to 1 = strongly disagree. Some examples of items on the scales are: “I am capable of handling my assignments without much supervision”; “I could manage change in my job very well whenever the situation demands”; “I actively participate in group discussions and work meetings”.

## **Results**

Descriptive statistics revealed high levels of employee motivation, job satisfaction, and individual work performance, and moderate job stress. With a five-point Likert summated rating scale,  $x = 3.67$  (SD = .86),  $x = 3.93$  (SD = .89),  $x = 3.78$  (SD = .95), and  $x = 2.98$  (SD = .49) were observed for the variables. The statistics, as shown in Table 1, showed significant correlation between the variables with the exception of job satisfaction and job stress. The degree of correlation between the variables were modest, indicating the absence of multicollinearity in the model. Preliminary analyses were carried out on the data to ensure

that the assumptions of linearity and normality were met.

Table 1. Means, standard deviations, and correlation coefficient of research variables.

	<i>M</i>	<i>SD</i>	1	2	3
1 Employee motivation	3.67	.86	1		
2 Job Satisfaction	3.93	.89	.52*	1	
3 Job Stress	2.98	.49	-.19*	-.08	1
4 Individual work performance	3.78	.95	.54*	.43*	-.17*

\* $p < 0.05$

The first hypothesis of the study predicts that motivation will significantly predict individual work performance. This hypothesis was tested with simple linear regression and results as shown in Table 2, indicate that employee motivation significantly predicts predict individual work performance,  $B = .59$ ,  $t(193) = 8.81$ ,  $p < .001$ . The analysis of variance (ANOVA) test shows that the regression is statistically significant ( $F(1,193) = 77.67$ ,  $p < .001$ ) with an  $R^2$  of .29. The  $r$  value of .54 suggests that the relationship between employee motivation and

individual work performance was modest, positive and significant. The  $R^2$  reveals that employee motivation accounts for 29% variance in personnel work performance and the  $B$ -value of .59 indicate that for every unit increase in employee motivation, a .59 change increase in individual work performance is expected. The small difference between  $R^2$  of .287 and adjusted  $R^2$  of .283 which is .004 indicates a good cross validity; that is this model can be generalized to other samples from the same population.

Table 2. Simple regression analysis predicting individual work performance from employee motivation

Variable	<i>B</i>	95%CI	<i>B</i>	<i>t</i>	<i>p</i>
Employee motivation	.59	[.46, .72]	.54	8.81	.000

The second hypothesis of the study predicts that job satisfaction will mediate the relationship between employee motivation and predict individual work performance. Results indicated that employee motivation was a significant predictor of job satisfaction,  $B = .53$ ,  $SE = .06$ ,  $95\%CI [.41, .66]$ ,  $\beta = .52$ ,  $p < .001$ , and that job satisfaction was a significant predictor of individual work performance,  $B = .22$ ,  $SE = .07$ ,  $95\%CI [.07, .37]$ ,  $\beta = .21$ ,  $p = .004$ . These results support the mediational hypothesis. Employee motivation was still a significant predictor of individual work performance after controlling for the mediator, job satisfaction,  $B = .58$ ,  $SE = .07$ ,  $95\%CI [.46, .72]$ ,  $\beta = .54$ ,  $p < .001$ ,

suggesting a partial mediation. Approximately 32% of the variance in individual work performance was accounted for by the predictors ( $R^2 = .32$ ). The indirect effect was tested using a percentile bootstrap estimation approach with 5000 samples implemented with the PROCESS macro-Version 3.3 (Hayes, 2017). These results indicated the indirect coefficient was significant,  $B = .12$ ,  $SE = .05$ ,  $95\%CI [.02, .23]$ , partially standardized  $\beta = .12$ . Employee motivation was associated with individual work performance scores that were approximately .12 points higher as mediated by job satisfaction and the proportion of the total effect of employee motivation on employee work performance

that is mediated by individual work performance is 20.34%.

Table 3. indirect effect of job satisfaction on paths from employee motivation to individual work performance

Mediator	Effect	Boot Standard Error	Boot Confidence Interval	
			BLLCI	BULCI
Job Satisfaction	.12	.05	.02	.23

Note: BLLCI = Boot Lower Limit Confidence Interval; BULCI = Boot Upper Limit Confidence Interval

The third hypothesis predicted that job stress would moderate the relationship between employee motivation and individual work performance. A multiple regression analysis was conducted before testing the hypothesis with employee motivation and job stress as the predictor and individual work performance as the outcome variable. The overall model was significant,  $R^2 = .29$ ,  $F(2, 192) = 39.39$ ,  $p < .001$ . While employee motivation contributed significantly to the model ( $B = -.57$ ,  $SE = .07$ ), job stress did not ( $B = -.13$ ,  $SE = .12$ ),  $p < .01$ , and  $p = .299$  respectively. The adjusted  $R^2$  of .29 shows that only 29% of variance in individual work performance can be explained by employee motivation and job stress. To

examined the moderating effect of job stress on the relationship between employee motivation and individual work performance, a moderation analysis was performed using PROCESS macro-Version 3 (Hayes, 2017). As seen in Figure 1, the interaction between employee motivation and job stress accounted for a significant proportion of the variance in individual work performance,  $\Delta R^2 = .02$ ,  $\Delta F(1, 191) = 5.89$ ,  $p = .016$ ,  $B = .29$ ,  $t(191) = 2.43$ ,  $p = .016$ . the change in  $R^2$  indicates that only 2% of variance between employee motivation and individual work performance can be explained by job stress a  $p$  statistic of .016 shows this to be statistically significant.

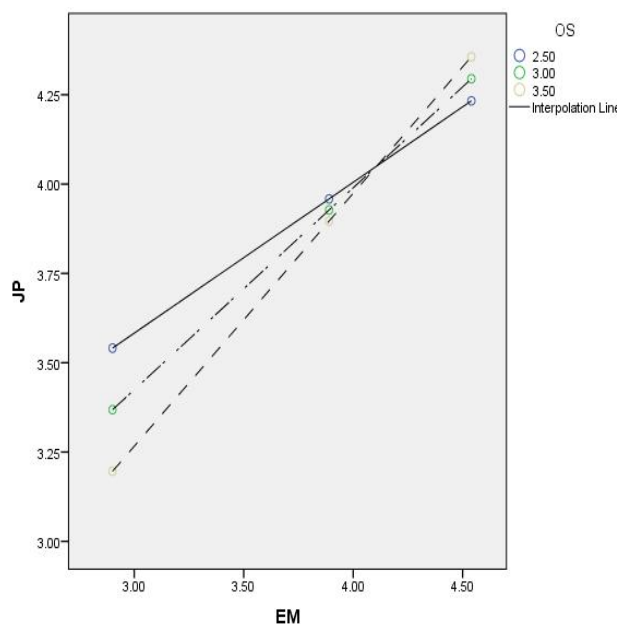


Figure 1 showing job stress moderating the relationship between employee motivation and individual work performance

## **Discussion**

This study examined the predictive relationship between employee motivation and individual work performance taking into account the mediating role of job satisfaction as well as the moderating role of job stress within the context of this relationship. The model that employee motivation positively and significantly individual work performance was good and offered support for the first hypothesis. The result was consistent with extant studies (e.g., Ek&Mukuru, 2013; Shahzadi et al., 2014; Zameer, Ali, Nisar, & Amir, 2014; Kahungya, 2016; and Girdwichai & Sriviboon, 2020) denoting that higher level of motivation will likely lead to increased performance on employees' end. This is not surprising as human behavior is motive and need-driven. As people are motivated by their desires to meet their need and there is the belief that expending effort at work will likely result in satisfied the said need, the motive to work is thus activated leading to work performance. Result from the mediation analysis also supports the second hypothesis predicting job satisfaction mediating the predictive relationship between employee motivation and individual work performance as a partial mediation was observed. This finding is in tandem with Buford, Bedeian, and Lindner (1995) observation that motivated personnel find their job satisfying and exert more effort thus resulting in greater work performance. Also, Herzberg (1966) two factor theory which proposed that certain job contents intrinsic to the job may be motivating to staff and also satisfying thereby leading to improved work performance supported the outcome of the second tested hypothesis. The motivating factors in a job can also be a source of satisfaction which is a psychological state that propels effort and increased performance. The moderating effect of job stress on employee work

motivation and work performance which was the third and final hypothesis of the study was also confirmed. This further affirming Vroom's (1964) expectancy theory that within the relationship between work motivation and work performance, is the interaction between individual and environmental factors. This thus shed light on certain environmental factors influencing the identified main effect. At low level of stress, high levels of motivation results in increased performance and as stress level increases as seen from figure 1, the effect is reduced. In speculating on causative factors, it is proposed that this may not necessary be as a result of decreased motivation but stress as it is known leads to depletion of individuals resources, both physical and mental. Therefore, a motivated employee may want to exert more effort on the job but the psycho-physiological distress accompanying stress may leave him/her too powerless and helpless to do so.

## **Theoretical and Practical Implications**

From the findings of this study, a few implications are observed. Employee work motivation significantly predicts individual work performance and this predictive relationship is mediated by job satisfaction and moderated by job stress. In seeking to engage motivational strategies that will impact performance, it is necessary to select those that are satisfying to employees and attention should also be given to the working conditions and job characteristics to the end that job stress is kept at a low level as such can be stimulating to employees. High level of stress for sustained period of time may defeat the purpose of any motivational strategies employed by management.

## **Limitation and Suggestion for Further Studies**



This study is bugged by a few limitations. Firstly, the study was cross sectional making the drawing of causal inferences impossible. The use of self-report measure in measuring all variable might introduce bias thereby confound the data. Future study should incorporate manager's and coworkers rating of staffs alongside self-rating in order to get a more holistic measure of performance. The constraint of quantitative method left the researcher

speculating on the specifics regarding motivational schemes, job characteristics, and organizational climate that are detrimental to officer's motivation and pointers to environmental stressors. Future studies should adopt a mixed method approach in order to get a composite grip of the understudied relationship. Interviews and focus group discussions can be adopted in addition to structured questionnaires in data collection.

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# **Career Development And Employee Productivity: A Study of College of Education, Katsin-Ala, Benue State**

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## **ABSTRACT**

*This study empirically investigates the effect of career development on employee productivity in College of Education Katsina-Ala. The specific objectives were to: determine the effect of career development on employee counseling, and employee mentoring, on employee productivity in College of Education, Katsina-Ala. The survey research design was adopted for the study. A total population of 499 employees of College of Education Katsina Ala using census sampling. The study made use of statistical techniques such as simple percentages and tables to analyze the responses of all the 490 returned questionnaires. Multiple regression technique was adopted to determine the effect of the independent variables on the dependent variable at 5% level of significance for a two tailed test. Findings from the study revealed that career development has a significant effect on employee counseling, and employee mentoring on employee productivity in College of Education, Katsina-Ala. The study conclude that, overall career development strategies significantly enhance employee productivity in College of Education, Katsina-Ala. Sequel to these findings, the study recommended among others the need for College of Education, Katsina-Ala to continue to improve and sustain career development programs such as provision of functional career counseling facilities as doing so would lead to improved employees' productivity. In addition the study recommends that the management of College of Education Katsina-Ala should embrace career mentoring and coaching to prepare them for other positions as this could be achieved by attaching employee with mentors whom they will learn valuable skills to help improve their productivity.*

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## 1.1 Introduction

The wake of 21<sup>st</sup> century has witnessed a rapid change in technological and economic factors, which has also accentuated change in societies around the world. These remarkable changes in the world have led to redefining the nature of careers and jobs in the America, Europe, Asia and Africa. With the rapid changes in the overall systems of the economies of these nations, with respect to socioeconomic, demographic, and technological aspects, a high demand for the highly educated, skilled work force has been created to cater for the requirements of the technically demanding working environment. Therefore, career development have been recognized globally as crucial requirements, which influence the career growth opportunities that remains a key determinant of employee organizational productivity, irrespective of the type or the nature of the organization (Subashini, 2019 & Delbari, Jaipur & Abedini, 2021).

In American organizations for instance, career development has evolved overtime. In recognition of the need to boast career development in USA, the *National Career Development Summit: A Call to Action* was convened by the Coalition for Career Development. The Summit brought together leaders from government, education and business to design a plan to make career readiness a central priority in the US national education system. All attendees were encouraged to come to the Summit with a pledge of what they or their organization would do to promote high-quality career development in the US education system.

### 1.1 Statement of the Problem

Career development which encompasses career advancement as a phenomenon has been a major concern to scholars, researchers, decision makers and human resources experts. These stakeholders in human capital development strive to manage issues such as recruitment, selection, training and development, promotion, are emanating from career development and career advancement towards career growth. Lack of promotion opportunities is a problem and It may not be defensible for the organisations to continue

spending large amounts of money on training, which may not lead to career advancement and improved employee productivity.

Many studies have examined career development and employees' productivity or performance (Delbari, Jaipur & Abedini, 2021; Firman, 2021; Wau & Purwanto, 2021; Badaruddin, Giri, Fatmasari & Muhammad, 2020 and Luh & Dewi, 2020). Observably, most studies were carried out in different geographical settings with no study to the best of my knowledge done in organizations operating in Benue State especially as relates to employees' of educational institutions in Benue State. In addition, most previous researches have been conducted in industrial enterprises. Thus, the present study seeks to fill this research gap by means of providing new perspectives and information on career development and employee productivity in higher education institutions.

Furthermore, existing studies used different variables in comparison to the variables used in this present study. The basis for their choice of variables may be understandable, it has however forecloses a further understanding of these career development variables (career counseling, career mentoring, career training and career advancement) in relation to employee productivity. It is against this background that this researcher intended to address this gap by determining the effect of career development on employee productivity in College of Education Katsina-Ala.

### 1.3 Objectives of the Study

The general objective of this study is to examine the effect of career development on employee productivity in College of Education Katsina-Ala. The specific objectives are to:

- i. To determine the effect of career counseling on employee productivity in College of Education, Katsina- Ala.
- ii. To establish the effect of career mentoring on employee productivity in College of Education, Katsina-Ala.

More so, in Europe, the European Training Foundation (ETF) works with European Union (EU) neighboring and Central Asian countries to further develop national career development

support systems following a structured and systematic approach. The strong interlink ages between career development supports, lifelong learning and the requirement of all countries to ensure quality education outcomes, economic outcomes, and social outcomes highlights the relevance of career development support and makes the case for its prioritisation. Lifelong career guidance and counseling, career education, and career development support for workers in formal and informal contexts are catalysts for policies aiming at economic growth, social equity, and innovation closely aligned with the United Nations Sustainable Development Goals (SDGs).

#### **1.4 Research Questions**

This study seeks to achieve the above objectives by providing answers to the following questions.

- i. To what extent does career counseling affect employee productivity in College of Education, Katsina- Ala.
- ii. How significant does career mentoring affect employee productivity in College of Education, Katsina-Ala.

#### **1.5 Research hypotheses**

The following hypotheses have been formulated to guide the study.

**Ho<sub>1</sub>:** Career counseling has no significant effect on employee productivity in College of Education, Katsina-Ala

**Ho<sub>2</sub>:** Career mentoring has no significant effect on employee productivity in College of Education, Katsina-Ala.

#### **1.8 Background of College of Education Katsina Ala.**

College of Education, Katsina Ala was established as an Advanced Teacher's College (A TC) (as it was called) at Katsina-Ala was taken by the government of the defunct Benue Plateau State headed by the Late Mr. J.D. Gomwalk. Though financial provision was made for this in the 1975/76 estimates, and in the five-year development plan, no practical steps were taken to implement this decision. In January, 1976, Mr. D.O. Idah was appointed

principal with instructions to commence whatever arrangements necessary to get College started by September, 1976, on a temporary site either in Makurdi, Jos or Otukpo. In the same year however, more states were created, and Benue state was carved out of Benue Plateau with Abdullahi Shellenge's as a governor for the new state and the immediate emphasis was on the setting-up of the new administrative machinery in Makurdi.

### **Review of Related Literature**

#### **2.1 Introduction**

This chapter reviews relevant literature on career development and employee productivity. The literature review primarily focused on conceptual framework, theoretical framework and review of empirical studies.

##### **2.2.1 Career Development**

Frank Parson in 1909s and later Ginzberg, Ginsburg, Axelrad and Herma (1951), first advanced the concept of career development. This concept have transformed from the view of career development as a development process by which individuals make occupational choices up to their early adulthood, to being viewed as a lifelong process of occupational decision making process that occurs at different sub-stages of one's life (Patton & McMahon, 2006). The term career development had increasingly came at the end of twentieth century, to describe the psychological, sociological, educational, physical, economic and change factors combine to shape individual career behaviour over the life span (Patton & McMahon 2006).

It is the evolution or development of a career informed by experience within a specific field of interest, success at each development and educational attainment. Career development includes learning, developing and mentoring employees to ensure that they navigate their career path within an organization, which enhance productivity for an organization.

Career is a journey that a person goes through in his life. According to Rahayu, Rasid and Tannady, (2019) career is all work or position that is handled or held during one's work life. Thus a career shows development of individual employees in level or rank of position that can be achieved during work



period in an organization. Career becomes very important for someone in context of their existence in the organization because career can affect performance and job satisfaction (Kakui & Gachunga, 2016; Napitupulu, Haryono, Laksmi, Sawitri and Harsono, 2017; Rahayu, Rasid & Tannady, 2019).

Rahayu, Rasid and Tannady, (2019) defined career development as a series of activities or the ongoing process of developing one's career. It is a process that entails training new skills, moving to higher job responsibilities; make a career change with the same organization, or starting one's own business. Career development is an effective way to foster future leaders within organization with relevant skills and experience that will be required to implement organization strategies. The concept of career development has evolved over time, with various authorities advancing varied theories on how individuals shape their careers.

### **1. Career Counseling**

Career counseling is a systematic approach to facilitating the career decision making and job search process. It is a partnership between you and your career counselor designed to assist you in making important decisions about career. Career counseling are similar in nature to other types counseling such as marriage or psychological counseling. What unites all types of professional counseling is the role of practitioner, who combine giving advice on their topic of expertise with counseling techniques that support clients in making complex decisions and facing difficult situations (Delbari, Jaipur & Abedini, 2021). Professional career counselors can support people with career related challenges. Through their expertise in career development, they can put a person's qualifications, experience, strengths and weakness in a broad perspective while also considering their desired salary, personal hobbies and interests, location, job market and educational possibilities

### **2. Coaching and Mentoring**

Kakui and Gachunga, (2016) describe coaching as on the job training. It is different from managing, less about directing work, but all about helping someone succeed. Coaching according to Kakui and Gachunga, (2016) is a way of working with people that leaves them

more able to contribute to their organization, and find meaning in what they are doing. The underlying goal of every coaching interaction is to help the other person succeed. Coaching is an integral parts of every manager's job. Managers that provide regular ongoing coaching and feedback to help employees develop skills and improve team performance, define, and realize career goals, having more successful and productive teams.

Coaching also provide plenty of opportunity for learning and growth. It is one of the best ways to develop and retain valuable employees. Coaching is increasingly used for professional development to indicate a positive change in individuals and to encourage the transfer of knowledge from the coach to the individuals. Firman, (2021) defines mentoring as a professional activity, a trusted relationship, and a meaningful commitment. Mentoring practice as we know it today is loosely modeled on the historical craftman apprentice relationship, where young people learned. Mentoring relationship have a great potential to enhance the development of young individuals in both early and middle career stage (Firman, 2021).

#### **2.2.2 Employees Productivity**

Productivity is about the effective and efficient use of all resources. Resources include time, people, knowledge, information, finance, equipment space, energy, materials. Productivity is the ratio of output to input. It is a measure of how efficiently and effectively a business or an economy uses inputs such as labor and capital to produce outputs such as goods and services. An increase in productivity means that more goods and services are produced with the same amount of labor and capital. It is not about cutting costs but "doing things right" and "doing the right things" to achieve maximum efficiency and value. Productivity is the ratio of what is produced to what is required to produce it. It measures the relationship between output and inputs. Also, productivity means how much and how well we produce from the resources used (Navern, Dawood & Karodia, 2015).

Employee productivity has been described in many ways; ability to achieve targets, realize goals, attain benchmarks. Most commonly, people immediately talked of job productivity as what a person did at work. Different stages

of job as well the complexity of a job also affected the overall productivity of the jobholder. This could mean that job productivity as a construct could be defined in different ways depending on the different stages and complexities of the job (Mark & Nzulwa, 2018).

## **2.3 Theoretical Framework**

This study is anchored on the Krumboltz's (1979) Social Learning Theory of career development.

### **2.3.1 Krumboltz's Theory**

Krumboltz's (1979) Social Learning Theory of career development is grounded in social learning theory and in classical behaviourism. The theory was propounded in 1979 It also incorporates the more recent ideas from self-efficacy theory (Bandura, 1977) and cognitive-behavioural theory (Kakui & Gachunga, 2016). The Social Learning Theory of Career Development (SLTCD) Krumboltz developed attempts to explain why people make the career decisions they make. People make their career decisions through an indefinite number of learning opportunities in their social environment which influence their views and ideas. Krumboltz social learning theory consists of two parts:

## **2.4 Review of Empirical Studies**

Delbari, Jaipur and Abedini, (2021) investigated the relationship between career development and productivity of university staff with the mediating role of self-regulation in Iran. The research approach is quantitative-relational and is based on structural equation modeling (SEM). The population consisted of the staff of two Iranian universities in 2018 out of which 331 participants were selected using Cochran's formula and a proportionate stratified random sampling method. To gather data, the self-regulation questionnaire (SRQ), the career development questionnaire (CDQ) and a researcher-made employees' productivity questionnaire (EPQ) were used. Regression analysis was the main tool of data analysis. The findings indicated that the staff self-regulation had a positive and significant effect on individual, organizational and environmental productivity factors. In addition, self-regulation had the ability to predict those factors. It was found that self-regulation had a mediating role in the relationship between

career development and staff productivity. According to the results, educational institutions, especially universities, can provide their staff with the opportunity to exploit their full potentials through reinforcing their self-regulation and increasing their productivity.

The study of Delbari, Jaipur and Abedini, (2021) like the present study is concerned with the investigation of the relationship between career development and productivity of higher educational system. However the present study will differ by focusing on typical higher educational institution in Benue State like College of Education Katsina-Ala.

Firman, (2021) aimed to determine the effect of career development toward employee performance at Aswin Hotels and Spa Makassar in Indonesia. The study was quantitative research. The questionnaire was the instrument used to obtained quantitative data used in the study. Interviews were also conducted with Supervisors in each division of Aswin Hotel and Spa Makassar. A sample size of 53 people was used for the study. The analytical method used is a simple regression analysis method. The results of the study indicated that career development had a positive and significant effect towards employee performance at the Aswin Hotel and Spa Makassar.

The study of Firman, (2021) aimed to determine the effect of career development toward employee performance at Aswin Hotels and Spa Makassar. This present study will differ by investigating the effect of career development on employee productivity in College of Education Katsina-Ala, Benue State. Wau and Purwanto (2021) determined the effect of career development, work motivation, and job satisfaction on employee performance in Indonesia. The population was employees at MNC Studios company. The sample consisted of 265 people using a saturated sample. Data analysis used validity test, reliability test, Kaiser-Meyer-Olkin measures of sampling (KMO), and Measures of Sampling Adequacy (MSA). Data were analyzed using the Structural Equation Model (SEM) using Lisrel. Based on the result of testing the differences of coefficients in the research model, it was found that career development had a positive effect on employee performance and job



satisfaction, job satisfaction had a positive effect on employee performance, and work motivation had a positive effect on job satisfaction and employee performance.

## Methodology

### 3.2 Research Design

This study adopted the survey research design, which leads to the discovery of the associations among the different variables. This study adopted this research design because data was collected from the elements or subjects under investigation without imposing any condition or treatment on them. Thus, the study elements were not under the control of the researcher hence, researcher can only describe, explain and predict the event without interfering in their functioning. More so, the adoption of this research design allows the researcher to use questionnaire as a method of data collection.

#### 3.2.1 Population of the Study

The Population of this study consist of both academic staff and non-academic staff of College of Education Katsina-Ala, which stood at four hundred and ninety nine (499). The choice of academic and non-academic staff was to avoid biasness in the selection of the sample size of the study. The population breakdown is presented as follows:

### 3.4 Method of Data Collection

The method used in collecting the required data is the questionnaire. The questionnaire was adopted due to the qualitative nature of the study. The questionnaires was used to elucidate responses in respect to all the variables used in the study. These variables were measured by means of a 5-point likert-scale as shown as follows; SA-5 (strongly agree), A-4 (agree), U-3 (undecided) D-2 (disagree and SD-1 (strongly disagree). The five point Likert scale was used since actual numerical data relating to the variables under investigation cannot be estimated. The five point Likert scale was also preferred due to its ability to deal with large number of items and difficulties in eliciting specific information from the respondents (Singh & Smith, 2006).

## Data Presentation, Analysis and Discussion of Findings

### 4.2.1 Response Rate of Questionnaire

The data for this study was collected through the questionnaire from employees of College of Education Katsina-Ala. They were followed up with weekly visits within a two-week period so that all employees of the College will participate in the survey. Initially, respondents were reluctant to participate in the survey because some of the respondents felt the questions were numerous and would take a lot of their time. However, after much persuasion, the response rate picked up. The summary of the responses are presented in the table that ensued.

**Table 4.1: Response Rate**

<i>Response Rate of Questionnaire</i>	<i>Frequency</i>
<i>Number of Distributed Questionnaire</i>	499
<i>Returned Usable Questionnaire</i>	490
<i>Unreturned Questionnaire</i>	9
<i>Response rate</i>	98.2%

**Source: Field Work (2021)**

A total of 499 copies of questionnaire were administered to employees of College of Education Katsina Ala. The instrument contains a total number of 20questions. After much persuasion, 490 respondents returned their questionnaire back leaving 9 unreturned

questionnaire. After outliers were identified and removed the study was left with a total number of 490 questionnaire, which was considered adequate for analysis. The table below presents and analyses the results of the demographic characteristics of respondents.

### 4.2.2 Presentation of Results Based on Variables

This section of the chapter presents and analyses responses in respect to the dependent and independent variables of the study.

**Table 4.3: Career Counseling**

Items	The college has an established functioning career counseling unit		The college has experienced and seasoned counselors that provide counseling and support to employees facing challenging task		Employees are counseled and supported during times of organizational downsizing or restructuring		Employees are frequented given counseling to give them sense of direction in their career path	
Responses	Freq	%	Freq	%	Freq	%	Freq	%
<b>SD</b>	7	1.4	8	1.6	9	1.8	6	1.2
<b>D</b>	15	3.1	12	2.4	21	4.3	29	5.9
<b>U</b>	5	1.0	8	1.6	3	.6	9	1.8
<b>A</b>	200	40.8	150	30.6	201	41.0	202	41.2
<b>SA</b>	263	53.7	312	63.7	256	52.2	244	49.8
<b>Total</b>	490	100.0	490	100.0	490	100.0	490	100.0

*Source: Field Survey, 2021*

Table 4.3 presents information on career counseling. The results shows that 7 respondents representing 1.4% strongly disagree that the college has an established functioning career counseling unit, 15 respondents representing 3.1% disagree, 5 respondents representing 1% were undecided, 200 respondents representing 40.8% agree while 263 respondents representing 53.7% strongly agree.

On whether the college has experienced and seasoned counselors that provide counseling and support to employees facing challenging task, 8 respondents representing 1.6% strongly disagree, 12 respondents representing 2.4% disagree to this, 8 respondents representing 1.6% were undecided, 150 respondents representing 30.6% agree while 312 representing 63.7% strongly agree.

Furthermore, the table above also reveals that 9 respondents representing 1.8% strongly disagree that employees are counseled and supported during times of organizational downsizing or restructuring, 21 respondents representing 4.3% disagree, 3 respondents representing 0.6% were undecided, 201 respondents representing 41% agree while 256 respondents representing 52.2% strongly agree with the statement.

More so, the table above reveals that 6 respondents representing 1.2% strongly disagree that employees are frequented given counseling to give them sense of direction in their career path, 29 respondents representing 5.9% disagree, 9 respondents representing 1.8% were undecided, and 202 respondents representing 41.2% agree while 244 respondents representing 49.8% strongly agree with the statement.

**Table 4.4: Career Mentoring**

Items	Coaching is marked by dialog, a two-way conversation between the coach and the employee		Coaches and mentors guide employees to discover career solutions on their own		Coaches and mentors indulge employees in case of job challenges		Coaches and mentors approach employees courteously and praise good work	
Responses	Freq	%	Freq	%	Freq	%	Freq	%
<b>SD</b>	9	1.8	19	3.9	14	2.9	6	1.2
<b>D</b>	25	5.1	15	3.1	13	2.7	9	1.8
<b>U</b>	5	1.0	8	1.6	8	1.6	4	.8
<b>A</b>	203	41.4	216	44.1	214	43.7	200	40.8
<b>SA</b>	248	50.6	232	47.3	241	49.2	271	55.3
<b>Total</b>	490	100.0	490	100.0	490	100.0	490	100.0

*Source: Field Survey, 2021*

The table 4.4 presents information on career mentoring. The Table revealed that, 9 respondents representing 1.8% strongly

disagree that coaching is marked by dialog, a two-way conversation between the coach and the employee, 25 respondents representing 5.1% disagree, 5 respondents representing 1.0% were undecided, 203 respondents

representing 41.4% agree while 248 respondents representing 50.6% strongly agree.

On whether coaches and mentors guide employees to discover career solutions on their own, 19 respondents representing 3.9% strongly disagree, 15 respondents representing 3.1% disagree to this, 8 respondents representing 1.6% were undecided, 216 respondents representing 44.1% agree while 232 representing 47.3% strongly agree.

Furthermore, the table above also reveals that 14 respondents representing 2.9% strongly disagree that coaches and mentors indulge

employees in case of job challenges, 13 respondents representing 2.7% disagree, 8 respondents representing 1.6% were undecided, 214 respondents representing 43.7% agree while 241 respondents representing 49.2% strongly agree with the statement.

More so, the table above reveals that 6 respondents representing 1.2% strongly disagree that coaches and mentors approach employees courteously and praise good work, 9 respondents representing 1.8% disagree, 4 respondents representing 0.8% were undecided, 200 respondents representing 40.8% agree while 271 respondents representing 55.3% strongly agree with the statement.

**Table 4.6: Employee Productivity**

Items	I do accomplish my task at the stipulated time		I take the initiative to solve a work problem		My input in the organization is commensurate with organizational output		I always work towards the set goals of my duties	
	Freq	%	Freq	%	Freq	%	Freq	%
<b>SD</b>	12	2.4	9	1.8	6	1.2	12	2.4
<b>D</b>	8	1.6	10	2.0	7	1.4	7	1.4
<b>U</b>	6	1.2	8	1.6	4	.8	9	1.8
<b>A</b>	206	42.0	207	42.2	213	43.5	206	42.0
<b>SA</b>	258	52.7	256	52.2	260	53.1	256	52.2
<b>Total</b>	490	100.0	490	100.0	490	100.0	490	100.0

*Source: Field Survey, 2021*

Table 4.6 presents responses on employee productivity. The result shows that only 12 respondents representing 2.4% strongly disagree that they do accomplish my task at the stipulated time, a handful of 8 respondents representing 1.6% disagree, 6 respondents representing 1.2% were undecided, 206 respondents representing 42% agree while 258 respondents representing 52.7% strongly agree.

On whether they take the initiative to solve a work problem, 9 respondents representing 1.8% strongly disagree, 10 respondents representing 2% disagree to this, 8 respondents representing 1.6% were undecided, 207 respondents representing 42.2% agree while 256 respondents representing 52.2% strongly agree.

Furthermore, the table above also reveals that 6 respondents representing 1.2% strongly disagree that their input in the organisation is commensurate with organizational output, 7

respondents representing 1.4% disagree, 4 respondents representing 0.8% were undecided, 213 respondents representing 43.5% agree while 260 respondents representing 53.1% strongly agree.

Finally, the table above reveals that 12 respondents representing 2.4% strongly disagree that they always work towards the set goals of my duties, 7 respondents representing 1.4% disagree, 9 respondents representing 1.8% were undecided, 206 respondents representing 42% agree while 256 respondents representing 52.2% strongly agree with the statement.

#### 4.2.3 Regression Analysis Results

Regression analysis is the main tool used to explain the effect of career development on employee productivity in this study. The result of each regression model is presented under this subsection for further analysis.

**Table 4.8 :Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.338	.101		3.353	.001
CC	-.364	.067	-.192	-5.411	.000
CM	.523	.068	.263	7.647	.000

a. Dependent Variable: EP

*Source: Researcher’s Computation using SPSS, Version 20*

The regression result as presented in Table 4.8 above to determine the effect of career development on employees output in College of Education Katsina-Ala. The table shows that when career development surrogates are not a factor to be consider, employees output is estimated at 0.338. This simply implies that when all variables are held constant, there will be a significant improvement in employee output to the tune of 0.338 units occasioned by factors not incorporated in this study.

The result further revealed a standardized beta coefficient of -0.192 and corresponding p-value of 0.0000 in respect to career counseling (CC). This result indicates that a unit change in career counseling will lead to a significant increase in employee productivity by 19.2%. This result therefore implies that career counseling significantly increases the productivity of employees in College of Education Katsina-Ala.

The result further revealed a standardized beta coefficient of 0.263 and corresponding p-value of 0.0000 in respect to career mentoring (CM). This result indicates that a unit change in career mentoring will lead to a significant increase in employee productivity by 26.3%. This result therefore implies that career mentoring significantly increases the productivity of employees in College of Education Katsina-Ala.

**4.4 Discussion of Findings**

This study empirically investigates the effect of career development on employee’s productivity. Three dependent variables (employee productivity) were identified and regressed against a common independent variable (career development). Regression analysis was the major statistical tool used to

test the effect of the independent variables on the dependent variables.

**4.4.1 Career Counseling and Employee Productivity**

The test of the first hypothesis of the study revealed that the p-values of the standardized beta coefficients at 5% level of significance for a two tailed test was applied to establish whether career development has a significant effect on employee productivity in College of Education Katsina-Ala. The result from the analysis revealed a negative beta coefficients and significant p-values in respect to career counseling. The null hypothesis was therefore rejected at 5% level of significance. The study therefore concludes that career counseling has a significant effect on employee productivity in College of Education Katsina-Ala. The negative beta coefficient in respect to career counseling could be because the institution were perhaps not offering career counseling services to their employees or employees were not willing to make use of counseling services offered by the institutions. Employees that are not only open to career counseling services but also implement these counsels will turn to be more productive. The implication of this findings is that counseling services offered to employees of College of Education Katsina-Ala significantly decreases their productivity. This findings is consistent with findings of **Kakui and Gachunga (2016)** who found that on job training influences the performance of an employee by expansion of key competencies, job specification, leads to motivation, reduces intimidation, provides additional skills knowledge and capabilities and employees are able to network. The finding is also supported by the study of **Delbari, Rajaipour and Abedini, (2021)**.

#### 4.4.2 Career Mentoring and Employee Productivity

In the test of hypothesis two which sought to test the effect of career mentoring on the productivity of employees of College of Education Katsina-Ala. The SPSS analysis revealed positive beta coefficients and significant p-values of 0.000 in respect to career mentoring and employee productivity. The study therefore rejects the null hypothesis at 5% level of significance. The study therefore concludes that career mentoring has a significant effect on employee's productivity in College of Education Katsina-Ala. The implication of these findings is that organisations desirous of improved employee productivity would need to invest more in employee career mentoring services. When employees are given the opportunity to be mentored, they turn to learn their more regarding their job and how best to do it for better result. This result therefore support employee mentoring as a strong predictor of employee productivity in the institution under study. This finding corroborate with findings of Kakui and Gachunga (2016) who found that career mentoring affects employee performance as mentors supports learners and helps them to develop their own approach and solutions to problems. This finding corroborate with findings of Firman, (2021) and Wau and Purwanto (2021).

#### 5.2 Conclusion

This study empirically examined the effect of career development on employee productivity in College of Education, Katsina-Ala. In conformance with the findings of this study, which were favorable to a significant effect of career development on employees' output, quality service delivery and achievement of target, the study therefore, conclude that career development strategies significantly enhanced employees' productivity in College of Education, Katsina-Ala.

#### 5.3 Recommendations

Sequel to the findings and conclusions above, the following recommendations are proffered:

- i. This study recommends that College of Education, Katsina-Ala should continue to improve and sustain career

development programs such as provision of functional career counseling facilities and training programs as doing so would lead to improved employee productivity.

- ii. The study recommends that the management of College of Education Katsina-Ala should embrace career mentoring and coaching to prepare them for other positions. This could be achieved by attaching employee with mentors whom they will learn valuable skills to help improve their productivity.

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# **Interrogating The Realism of Globalization Using The Construction Sector in Nigeria**

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## **ABSTRACT**

*The purpose of the study was to find out the impact of globalization on construction sector in Nigeria. The design adopted for this study was ex-post facto design. Population of the study consist 111 personnel (37 Directors, 37 Deputy Directors and 37 Assistant Directors) in the Federal and 36 States Ministry of Works in Nigeria (Federal Ministry of Works, 2021). Thus, the 111 personnel were Census. The instrument for the study was Imperatives of Globalization and Construction Sector Questionnaire (IGCSQ) designed on a four-point Likert type rating scale of Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD). The questionnaire comprised section A with 18 items (6 items each) on transferred knowledge, Improved mechanization and construction sector respectively. The instrument was validated by three experts: one from the Department of Economics, and two from Department of Educational Foundations of university of Calabar, Calabar. A pilot test was conducted on equivalent population in Republic of Cameroun. A reliability coefficient of .86 to .90 was obtained using Cronbach Alpha Reliability Estimate. The copies of the questionnaire were posted to the respondents for data collection. The data obtained from the field were analyzed using simple linear regression at .05 level of significance with the help of statistical package for social sciences (SPSS) version 23. The findings showed that both transferred knowledge and transferred knowledge significantly influence construction sector in Nigeria and improved mechanization significantly influence construction sector in Nigeria. Based on the findings, it was recommended among others that young Nigerian engineers should be sent abroad by the government to acquire the requisite knowledge in construction in order to guide against quackery in the sector.*

**KEYWORDS:** Construction Sector, Imperatives of Globalization, Nigeria

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## **Introduction**

Construction is as old as humanity whose product it is; and has evolved through centuries of activities, from dwelling in caves to skyscrapers and recently to intelligent structures that can smartly respond to stimuli in its environment. The construction sector has been identified as one of the major sectors of the economy which possess the potential of stimulating economic growth and sustain the development of any nation. Garba and Yadima as cited in Waziri and Bala (2014) recognised that the Nigerian Construction Industry is one active sector of the Nigerian economy which takes the largest part of governments spending on capital projects. Khan as cited in Waziri and Bala (2014) considered the construction sector and construction activities to be among the major sources of economic growth and development. The sector plays an important role in the economic uplift and development of the country.

Globally, the sector is considered as one of the largest fragmented industries with an estimate of annual global output of \$ 4.5 trillion (Khan as cited in Waziri & Bala, 2014). The National Planning Commission NPC (2011) reported that in Nigeria the Building and Construction sector's growth rate dropped from 12.8% in 2008 to 11.97% and 11.85% in 2009 and 2010 respectively. The sector's contribution to overall GDP dropped down repeatedly to 2.86 % in 2010 and 3.16% in 2009 from 3.76% achieved in 2008. NPC (2011) further reported that, Building and Construction sector recorded a growth rate of 12.26% in 2011 which is below the target of 19.0% in the Transformation Agenda.

According to Asaju and Albert (2012) the collapse of the infrastructural facilities and social services constitute a major constraint to developmental efforts in Nigeria. In view of this the Nigerian construction sector is challenged to provide the much-needed infrastructure for the realisation of the vision. Hence, globalization is the panacea.

Ojo as cited in Igwe (2013) viewed globalization as a process characterized by liberalization of economy of nations the world over. Generally, globalization encompasses the increasing interaction among persons and institutions across the globe. It refers to the

growing interactions in world trade, national and foreign investment, capital markets and the ascribed role of government in national economics. Igwe (2013) stated that globalization effects are not optional for developing countries especially Nigeria, but as compelling and imperative. Developing countries are pulled into global political, economic and social relationships without their consent. Coincidentally, for the mere fact that global wealth is unevenly distributed, globalization today is often seen as a refined version of capital imperialism.

Mbamali and Okotie (2012) indicated that under this process, economic activities are free from institutional controls and this enhances free market mechanism, private enterprises, open competition, professionalism and excellence in corporate governance. Globalization promotes specialization and application of the principle of comparative advantage on a global scale so as to further develop the entire world's resources. Globalization breaks down all barriers, separating nations and continents and thereby making the world a global village.

Globalization also brings about some opportunities for the local building practice. Larger market due to involvement of international finance. Direct foreign investment on projects leads to increase in construction demand. Competition between foreign firms enhances value for money of projects in the host country. Possibility for technology transfer and development of local firms. Building construction standardization arising from adoption of uniform international standards. Increase in application of information technology among indigenous companies and professionals. Rise in clients' taste due to exposure to international standards. More opportunities for linkages and operation beyond Nigeria's borders (Mbamali & Okotie,2012).

Nigeria is a developing country and her construction practice is still grappling with a lot of inherent challenges, ranging from inadequate technical and managerial know-how to insufficient financial, material and equipment capital base (Oluwakiyesi 2011). Mbamali, I. Okotie (2012) also observed that globalization does not affect countries and

professions in the same way. Some countries and professions appear to be on the whole, the beneficiaries of globalization, while others are obviously the victims (International Council for Research and Innovation in Building and Construction 2004). It appears that those who fall more into the victim category are the developing countries such as Nigeria, etc. Globalization is however a reality and its subtle but steady and increasing effects on building practice in Nigeria.

From Ofori (2001), International Council for Research and Innovation in Building and Construction (2004) and Idoro (2009), the threats of globalization are as follows: foreign companies having a larger share of available projects. Import of building materials being much higher than the export. More import of professional services than the export. Diminished opportunities for indigenous professionals. Diminished opportunities for local contractors' growth due to competition from their more capitalized and better equipped foreign counterparts. Eradication of indigenous cultural identity expressed through buildings and the built environment. Obsolescence of some local skills due to changes in technology. In spite of these threats, its imperatives cannot be underscored. Some of the imperatives of globalization on construction sector in Nigeria are transferred knowledge and improved mechanization.

Knowledge transfer is about getting the right knowledge to the right people at the right time. Hajric (2018) and Gerami (2010) viewed Knowledge transfer as a systematic process for acquiring, organising, sustaining, applying, sharing, and renewing both tacit and explicit knowledge to enhance the innovation performance, increase innovational adaptability, increase values of existing products and services, and/or create new knowledge-intensive products, processes and services. For Gunday, Ulusoy, Kilic, and Alpan (2012), Knowledge comprises know what, know-how and know why levels of knowledge, the highest level of knowledge is known-why knowledge.

Knowledge transfer according to Blumentritt & Johnson as cited in Oke, Ogunsemi and Adeeko (2013) is about sharing and acquiring knowledge in ways that can be translated into improved organizational performance. The intellectual capital of

individuals and teams are presented in a tangible form that facilitates the adding of value to the organization and ultimately its customers. Ravishankar, Pan and Leidner (2011) maintained that this process of added value is achieved through continuous recycling and creative use of shared knowledge and experience. This creates an environment for the rapid sharing of knowledge as well as sustained and collective knowledge growth.

However, it is now being recognised that the transfer of project knowledge especially within the construction industry where projects are implemented by temporary virtual organisations is open to considerable improvement, both within construction organisations, and between firms in the supply chain (Gold, Malhotra, & Segars, 2001). The emphasis on Knowledge transfer according to Kamara, Anumba and Carrillo as cited in Oke, Ogunsemi & Adeeko (2013) reflects the growing realisation that it is a core business concern, particularly in the context of the emerging knowledge economy, where the know-how of a company is becoming more important than the traditional sources of economic power (capital, land, etc.)

The construction sector consists of the Architects, the Quantity Surveyors, the Estate Surveyors, the Civil Engineers and the Builders. All these professionals join forces together to promote the construction industry, others are the trades and artisans; they used the acquired transferred knowledge within the construction. Hence, the construction of a project of any kind be it building, civil or heavy engineering works involves the services and knowledge of many of these people directly and indirectly (Geoffery, 2012).

Wilson (2021) remarked that transferred knowledge in construction can be captured, created, stored, used, protected and essentially managed, not unlike any other economic commodities. If the knowledge being transferred is not properly utilized, can breed quacks who end up constructing substandard buildings, bridges and road, as this will pose threat to humanity. Evidence abounds in the recent Lagos storey building mishap. That resulted to the death of over 40 people. This occurred because the so-called engineers did not acquire the requisite transferred knowledge in accordance with the international best practices.

Adhikari, Clemens, Dempster and Ekeator (2021) demonstrated that expatriates, both temporary and permanent, have long been the cornerstone of construction markets because of a variety of reasons including the labour- and skill-intensive nature of the industry and its necessary flexibility; implying that relying on imported labour is key to its success. Similarly, Buckley, Zendel, Biggar, Fredericksen and Well (2016) identified three reasons why construction employers may look abroad for workers: the lack of a skilled workforce at home due to a lower absolute number of people and the skills they possess; the rapid growth in the number of projects outstripping the ability of the education system to keep pace; and the increase in the size and complexity of projects, which requires a specific skill set to execute.

Adhikari, Clemens, Dempster and Ekeator (2021) further highlighted that Nigeria's Economic Recovery and Growth Plan (ERGP), 2017–2020, earmarks the construction sector as one of the sectors with the potential to generate employment for the growing number of youths in the country. The construction sector was also listed as one of the six priority sectors to ensure sustainable economic growth and development in Nigeria, with a specific policy objective to invest in technical and vocational training for craftsmen (electricians, masons, carpenters, etc.) needed by the local industry. This was not actualized because of lack of globalization which breeds knowledge transfer.

The term 'mechanization' in construction is defined as the application of plant, equipment and machineries for carrying out construction activities. Peurifoy, Schexanyder and Shapira (2006) stated that as a result of globalization, construction equipment capacities were also increased with the innovation of torque convertor and power shift transmission system. The old concrete batch and mixing facilities were replaced from manually controlled to hydraulically and electronically controlled systems.

Idro (2011) revealed that as a result of this incremental development in construction technology, today's construction projects are highly mechanized and becoming more so every day. Day and Benjamin, as cited in

Waris, Liew, Khamidi and Idrus (2014) revealed that the role of construction machineries are being increasing to improve the performance, productivity, working standards and efficiency of contractors. Indoria (2009) demonstrated that these require innovative and modern machineries to cater the needs of the clients and contractors and achieved project objectives.

Furthermore, Shapira, Lucko and Schexnayder (2007) stressed that the growing industrialization in construction leads to offsite prefabrication of concrete, structural and finish elements that are then installed or assembled rather than produced on site. Consequently, production equipment is being replaced on the construction site by earth moving, transportation and other material handling equipment.

Arditi, Tangkar and Kale as cited in Waris, Liew, Khamidi and Idrus (2014) held that the typical construction site will employ several or all of the following equipment types: such as earthmoving equipment, transporting equipment, material handlers, concrete pumps, hoists and lifts cranes etc. This suggests that the adoption of mechanized practices speed up the execution of site works, thus shorten the project completion time and cost.

Idaro (2011) opined that the importance of the use of plant and equipment in construction works appears to be increasing on a daily basis. Manual methods are rapidly giving way to mechanical methods in the effort to increase productivity, meet increasingly complex specifications, construct or actualise the growing complexity of modern designs, utilise the numerous new construction materials that are being introduced into the industry, meet tight schedules and targets placed by clients' demands, implement control measures required to bring projects on track and ensure effective and efficient use of the numerous resources involved in the construction of projects. New plant and equipment are being developed and produced regularly in response to the needs of the industry.

#### **Statement of the problem**

The construction industry in both developed and developing countries is viewed as that sector of the economy which, through planning,

design, construction, maintenance and repair, and operation, transforms various resources into constructed facilities. Experience has shown that the construction industry in Nigeria has become an all-comers field, patronizing nonprofessionals and utilizing untested and uncertified materials and components. This in turn resulted to incessant collapse of buildings, fire infernos and other disasters. The built environment, thus, became unsustainable, and towns and cities largely characterized by planlessness. In view of these, the National Council on Housing and Urban Development instituted the process of evolving a National Construction Code which sought to proffer solutions to the hazardous trends in the construction industry. The code provided the minimum standards for building pre-design, design, construction and post-construction with a view to ensuring quality, safety and proficiency in the building industry. The code has since been accorded a legal status in the country, yet, to no avail.

It is on this basis that the researcher was motivated to find out if the imperatives of globalization (transferred knowledge and improved mechanization) could be used to explain the construction sector in Nigeria. The following poser which this study sought to answer was raised: could imperatives of globalization (transferred knowledge and improved mechanization) be use to explain the construction sector in Nigeria?

**Purpose of the study**

The purpose of the study was to find out the influence of imperatives of globalization on construction sector in Nigeria. Specifically, the study aimed at finding out the influence of:

1. Transferred knowledge on construction sector in Nigeria.

2. Improved mechanization on construction sector in Nigeria.

**Research questions**

1. To what extent does transferred knowledge influence construction sector in Nigeria?
2. To what extent does improved mechanization influence construction sector in Nigeria?

**Statement of hypotheses**

Ho<sub>1</sub>: Transferred knowledge does not have significant influence on the construction sector in Nigeria.

Ho<sub>2</sub>: Improved mechanization does not have significant influence on construction sector in Nigeria.

**Methodology**

The design adopted for this study was ex-post facto design. Isangedighi, Joshua, Asim and Ekuri (2004) stated that ex-post-facto research fundamentally studies events after they have occurred. In this study, the ex-post-facto design was suitable because the manipulation of variables such as transferred knowledge and improved mechanization were not possible in the course of this study. They have already interacted to produce the level of causality on construction sector that the researcher only evaluated or observed. Population of the study consist 111 personnel (37 Directors, 37 Deputy Directors and 37 Assistant Directors) in the Federal and 36 States Ministry of Works in Nigeria (Federal Ministry of Works, 2021). Thus, the 111 personnel were Census. This is presented in Table 1

**Table 1:** Population of top management staff in the Federal and States Ministry of Works in Nigeria

	Directors	Deputy Directors	Assistant Directors	Total
States	36	36	36	109
Federal	1	1	1	3
Total	37	37	37	111

Source: Researcher’s field work (2021)

These personnel are the top management staff in the Federal and States Ministry of Works in Nigeria, and they are

much familiar with the vital information needed for this study. Also, it is believed that every information supplied by them on the

subject matter will be more factual than the ones that would have been given by those in the lower cadre of the ministry.

The instrument for the study was Imperatives of Globalization and Construction Sector Questionnaire (IGCSQ) designed on a four-point Likert type rating scale of Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD). The questionnaire comprised section A with 18 items (6 items each) on transferred knowledge, Improved mechanization and construction sector respectively.

The instrument was validated by three experts: one from the Department of Economics, and two from Department of Educational Foundations of university of Calabar, Calabar. A pilot test was conducted on equivalent population in Republic of Cameroun. This is because all the 37 Directors, 37 Deputy Directors and 37 Assistant Directors in the Federal and 36 States Ministry of Works in Nigeria were used for the study, using their subordinates or those in the same ranks in other ministries within Nigeria will defile the research rule which emphasizes the

conduct of pilot test on equivalent population, thus, the results so obtained from the trial test may not be reliable. Secondly, Cameroon as a developing nation shares the same or relatively the same developmental characteristics in terms of construction sector with Nigeria, hence, administration of the instrument therein for trial testing has guaranteed its consistency.

A reliability coefficient of .86 to .90 was obtained using Cronbach Alpha Reliability Estimate. The copies of the questionnaire were posted to the respondents for data collection. The data obtained from the field were analyzed using simple linear regression at .05 level of significance with the help of statistical package for social sciences (SPSS) version 23.

**Results**

**Ho<sub>1</sub>:** Transferred knowledge does not have significant influence on construction sector in Nigeria. To test this hypothesis, simple linear regression was carried out. The results are presented in Table

**Table 2:** Regression analysis of influence of transferred knowledge on construction sector in Nigeria

R = .346		Adjusted R <sup>2</sup> = .111			
R <sup>2</sup> = .119		Standard error = 2.13401			
Source of variation	Sum of squares	Df	Mean square	f-value	p-value
Regression	47.342	1	67.342	14.787*	.000
Residual	496.388	109	4.554		
Total	563.730	110			
Predictor variable	<u>Unstandardized coefficient</u>		Standardized coefficient	t-value	p-value
	B	Std error	Betta		
Constant	10.004	1.440		6.947*	.010
Transferred knowledge	.362	.094	.346	3.845*	.000

\*Significant at .05 level, P < .05

The results in Table 2 showed that an R-value of .346 was obtained giving an R-square value of .119. This means that about 11.9% of the total variation in construction sector in Nigeria is explained by the variation in transferred knowledge. The p-value (.000) associated with the f-value (14.787) is less than .05 level of significance. Therefore, the

null hypothesis was rejected. This means that transferred knowledge significantly influence construction sector in Nigeria.

Similarly, the result of the regression weights of the predictor variable (transferred knowledge) showed positive coefficients (B and Beta) of .362 and .346 respectively. This means that transferred knowledge has



significant positive influence on construction sector in Nigeria and that a unit increase in transferred knowledge would lead to more than a unit development in construction sector in Nigeria. When the prediction model parameters were tested for significance, both the regression constant and transferred knowledge made significant contributions to

the prediction of construction sector in Nigeria ( $t= 6.947, 3.845; p = .000$ ).

HO<sub>1</sub>: Improved mechanization does not have significant influence on construction sector in Nigeria. To test this hypothesis, simple linear regression was carried out. The results are presented in Table 3.

**Table 3:** Regression analysis of influence of improved mechanization on construction sector in Nigeria

R = .331		Adjusted R <sup>2</sup> = .101			
R <sup>2</sup> = .110		Standard error = 2.14595			
Source of variation	Sum of squares	Df	Mean square	f-value	p-value
Regression	61.775	1	61.775	13.415*	.000
Residual	501.954	109	4.605		
Total	563.730	110			
Predictor variable	<u>Unstandardized coefficient</u>		Standardized coefficient	t-value	p-value
	B	Std error	Betta		
Constant	10.409	1.401		7.430*	.010
Improved mechanization	.354	.097	.331	3.663*	.000

\*Significant at .05 level,  $P < .05$

The results in Table 2 showed that an R-value of .331 was obtained giving an R-square value of .110. This means that about 11.0% of the total variation in construction sector in Nigeria is explained by the variation in improved mechanization. The p-value (.000) associated with the f-value (13.415) is less than .05 level of significance. Therefore, the null hypothesis was not retained. This means that there is significant influence of improved mechanization on construction sector in Nigeria.

Similarly, the result of the regression weights of the predictor variable (improved mechanization) showed positive coefficients (B and Beta) of .354 and .331 respectively. This means that improved mechanization has significant positive influence on construction sector in Nigeria and that a unit increase in improved mechanization would lead to more than a unit development in construction sector in Nigeria. When the prediction model parameters were tested for significance, both the regression constant and improved mechanization made significant contributions

to the prediction of construction sector in Nigeria ( $t= 7.430, 3.663; p = .000$ ).

**Discussion of findings**

The results of hypothesis one revealed that transferred knowledge significantly influence construction sector in Nigeria. This finding collaborated with Wilson (2021) who remarked that transferred knowledge in construction can be captured, created, stored, used, protected and essentially managed, not unlike any other economic commodities. If the knowledge being transferred is not properly utilized, can breed quacks who end up constructing substandard buildings, bridges and road, as this will pose threat to humanity.

The study also supported the view of Kamara, Anumba and Carrillo as citet in Oke, Ogunsemi and Adeeko (2013) who observed that emphasis on knowledge transfer reflects the growing realisation that it is a core business concern, particularly in the context of the emerging knowledge economy, where the know-how of a company is becoming more

important than the traditional sources of economic power (capital, land, etc.).

The study also aligned with Geoffery (2012) who revealed that construction sector consists of the Architects, the Quantity Surveyors, the Estate Surveyors, the Civil Engineers and the Builders. All these professionals join forces together to promote the construction industry, others are the trades and artisans; they used the acquired transferred knowledge within the construction. Hence, the construction of a project of any kind be it building, civil or heavy engineering works involves the services and knowledge of many of these people directly and indirectly.

The finding also agreed with Adhikari, Clemens, Dempster and Ekeator (2021) who highlighted that Nigeria's Economic Recovery and Growth Plan (ERGP), 2017–2020, earmarks the construction sector as one of the sectors with the potential to generate employment for the growing number of youths in the country. The construction sector was also listed as one of the six priority sectors to ensure sustainable economic growth and development in Nigeria, with a specific policy objective to invest in technical and vocational training for craftsmen (electricians, masons, carpenters, etc.) needed by the local industry. This was not actualized because of lack of globalization which breeds knowledge transfer.

The results of hypothesis two showed that there is significant influence of improved mechanization on construction sector in Nigeria. The result collaborated with Arditi, Tangkar and Kale as cited in Waris, Liew, Khamidi and Idrus (2014) who held that the typical construction site will employ several or all of the following equipment types: such as earthmoving equipment, transporting equipment, material handlers, concrete pumps, hoists and lifts cranes etc. This suggests that the adoption of mechanized practices speed up the execution of site works, thus shorten the project completion time and cost.

The study also agreed with Idaro (2011) who opined that the importance of the use of plant and equipment in construction works appears to be increasing on a daily basis. Manual methods are rapidly giving way to mechanical methods in the effort to increase productivity, meet increasingly complex specifications, construct or actualise the growing complexity of modern designs, utilise

the numerous new construction materials that are being introduced into the industry, meet tight schedules and targets placed by clients' demands, implement control measures required to bring projects on track and ensure effective and efficient use of the numerous resources involved in the construction of projects. New plant and equipment are being developed and produced regularly in response to the needs of the industry.

The survey aligned with Peurifoy, Schexanyder and Shapira (2006) who stated that as a result of globalization, construction equipment capacities were also increased with the innovation of torque convertor and power shift transmission system. The old concrete batch and mixing facilities were replaced from manually controlled to hydraulically and electronically controlled systems.

The result is in line with Day and Benjamin, as cited in Waris, Liew, Khamidi and Idrus (2014) who revealed that the role of construction machineries are being increasing to improve the performance, productivity, working standards and efficiency of contractors. Indoria (2009) demonstrated that these require innovative and modern machineries to cater the needs of the clients and contractors and achieved project objectives. Furthermore, Shapira, Lucko and Schexnayder (2007) stressed that the growing industrialization in construction leads to offsite prefabrication of concrete, structural and finish elements that are then installed or assembled rather than produced on site. Consequently, production equipment is being replaced on the construction site by earth moving, transportation and other material handling equipment.

### **Conclusion**

Based on the findings, it was concluded that the construction sector in Nigeria is significantly influence by transferred knowledge and improved mechanization which are some of the imperatives of globalization. For the construction sector in Nigeria to develop, Nigerian government must embrace globalization in full swing.

### **Recommendations**

Based on the conclusion, the following recommendations were made,



1. Young Nigerian engineers should be sent abroad by the government to acquire the requisite knowledge in construction in order to guide against quackery in the sector.
2. Our domestic construction sector should be overhaul towards globalization with a view to promoting mechanization.

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# **Altruism and Population Growth in Nigeria: Does Gender Identity Bias Matter**

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## **ABSTRACT**

*In the attempt to investigate whether gender identity bias matters in the altruism-population growth nexus in Nigeria between 1981 to 2018, the study utilized the Auto Regression Distributed Lag (ARDL) methodology to reveal that indeed gender identity bias matters, given that women are more pro-altruistic to children than men in the face of rising population growth. That is, as women labour participation increase so does their altruism to children's upkeep increases, while the reverse is the case for men. The study suggested that to enhance parental altruism towards the child, the firms and government should institute incentives and strategies that will stimulate female labour participation in the work environment. This has the capacity to not only boost productivity but also increase the per capita income, which will transmit to higher proportions of parental altruism to children.*

**Keywords: Altruism, Gender, Population, Welfare**

**JEL Codes: D64, I31, J13, J16, R23**

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## **Introduction**

Altruism connotes the motivation by an individual who considers that someone should benefit instead of self. That is inconveniencing self to ensure the welfare of another person. To this connection Piliavia and Chang (1990) surmise that altruistic behaviour should be voluntarily and intentionally done to benefit another person without the performer of such an act expecting a reward.

Altruistic studies have gained traction amongst scholars to display the diverse nature of works foreclosing diverse results. (For instance, see Sawyer 1966, Wrightsman 1974, Staub, Daniel, Jerzy, & Janusz 1984, Rose-Ackerman 1996, Underwood 2002, Smith 2005, Birchell & Soares 2007). Of these works Birchell and Soares (2007) argue for the correlation between altruism and fertility, wherefore parents tend to observe some attachment to the quality of life towards their children, which will ensure reciprocity towards them in the future. This has the capacity not only to improve the kids' mortality rate but also that of the parents.

Historically, early nineteenth-century Europe and America painted a picture of anti-parental altruistic tendencies towards children, which saw high mortality rate of children as high as 25% but at the twilight of the industrial revolution, there was great improvement leading to 30% to 40% children survival rate. Most recently, given improvements in parental altruism live births mortality rate of children for Europe and America is reported as between 4-7 per 1000 as of 2019 (Rapoport and Vidal 2003, World Bank 2020).

The storyline as painted for developing economies according to Galasso (1999) Rapoport and Vidal (2003) are even worse. The submissions are that women hardly engage their children for two hours per day and men in most instances see the job of child upbringing as a woman's prerogative as such do not even show concern for the quality of life to be attained for such kids. Again, that as women become income enhanced their parental altruistic tendencies decreases. These reasons might be attributable to the high child mortality rate and low life expectancy of 38

per 1000 live births and 51 years as at 2019 respectively (See World Bank 2021).

To posit a good proxy for measuring parental altruism World Bank (2001), highlight the extent of education expenditure as a share of Gross Domestic Product (GDP). To this extent World Bank (2021) aver public spending on education as a share of GDP is 3% for low-income countries and the corresponding 5% in high-income countries, has shown that globally altruism has improved. The alleviation of poverty, improved liquidity and returns to schooling and literacy have been reasons attributable to such global parental altruistic tendencies.

Population growth connotes the changes recorded in the number of persons in a country over a period. The conjecture between fertility and or population growth versus income by Becker (1960) opened up the frontiers of discourse towards the lynchpin between quality and quantity tradeoff in choices of fertility. The argument is that increased income does not translate to a corresponding increase in population growth or the number of children, but rather enhanced spending on children's upkeep to improve their quality of living. In essence, population growth and altruism share a positive relationship.

Becker (1960) further acknowledges that tastes may vary across families, which invariably transmits to gender-identity biases in altruistic behaviour amongst countries. However, of interest is the gender identity-altruistic relationship, which exhibits an inconsistent pattern. Sometimes, altruistic tendencies are predominant with men than women, while in certain instances, the reverse is the case and in other instances, the sex makes no difference. (See Johnson et al, 1989; Davis, 1994; Chou, 1998; Howard and Paliavin, 2000; Penner et al, 2005). Again, these studies avail that the nature of the help might provide direction on which gender should exhibit such an altruistic behaviour. The cache here is that, given this inconsistency, what is the likely altruistic tendency amongst gender towards a child's quality of life in the face of population growth, while drawing evidence for Nigeria from 1981 to 2018.

## **Empirical Literature**

In the arguments of Kalliopuska(1984) family size and altruistic attitudes are unrelated, while others such as Koda and Uroyos(2017) while determining the impact of family size on altruism foreclosed the findings that filial altruism is higher in developing countries and lower in developed economies and that a large family promotes generosity. Further Investigations on the two-sided altruism and level of development Uruyos and Dheera-umpon (2019) confirms the finding that the levels of development influence the evolving variations in the relationship with parental altruism.

Becker and Barro (1988), Ehrlich and Lui (1991) posit that parental altruism enhances fertility. To this end Boldrin and Jones (2002) Nishimura and Zhang (1995) provide evidence to suggest that with filial altruism then, children are raised as assets. Even though these works do not provide whether it is parental or filial altruism that is predominant in certain climes, which necessitates Horioka's (2014) contributions by stating that Americans and Indians are parentally altruistic, while Japanese and Chinese are pro-filial altruistic.

For Kurzban et al (2015), Blackburn and Cipriani (2005) their argument in a two-sided altruistic model proffers result of those intergenerational transfers from children to parents superseding the reverse causality from parents to children, leading to a decline in fertility in a developing economy.

In the same vein, Rapoport and Vidal (2007) assert that in developing economies natural altruism where there is unconditional parental love for offspring prevails, given poor infrastructure. If such basic infrastructures become tenable, parents' choices of altruism become predicated on cost-benefit considerations. That is endogenous altruism becomes predominant in rich countries. The point is that governments in rich countries subsidize education because of the need to minimize the inadequacy of natural parental altruism. A fact further substantiated by Armellini and Basu (2010) cross-sectional evidence, for a group of 43 countries that confirms the governments in rich countries

spending more on education subsidy in comparison to poor countries. In essence, the government's benevolence towards enhancing education is to cover up for the inadequacy of parental altruistic shortfall by private citizens.

Scholars on altruistic studies have argued on the social desirability of education subsidy, wherefore private returns to human capital are short of social returns. That is human capital having positive spillover on productivity that may not have been privately internalized. (See Rosenzweig and Wolpin 1980, Rosenzweig and Zhang 2009, Lucas 1988, Azariadis and Drazen 1990 and Tamura 1991). To this connection, education subsidy comes in to correct this externality incentive as traced to Smith (2005) who submitted that altruistic traits are predominant with those favoring more government social spending. Acemoglu and Angrist (1999), Bils and Klenov(2000), and Krueger and Lindahl(2000), Black, Devereux, and Salvanes (2005) Angrist, Lavy, and Schlosser(2010) however, questioned the efficacy of this positive externality argument.

The idea is that in countries where parents are less benevolent, the rate of education support is higher because a pragmatic government must correct for a shortage in educational investment by subsidizing learning.

For Italy, Cigno and Rosati (1992,1996) found out that self-interest is the rationale that precipitates behavioural tendencies towards the savings and fertility nexus. Brezis (2002) aptly captures this fact given the suggestions of the preponderance of non-altruism palpable amongst various classes in the fertility and economic growth relationships. The argument is that altruism evolves given changes in social norms and the economic environment.

To this connection, Eisenberg and Strayer (1987), Skarin and Moely(1976) in their submission on the altruistic behaviour amongst gender based on socialization norms predicts that males become competitive and assertive, while females socialization norms depict that of being caring, subservient, and dependent. That is females perform the role of a care provider, which is in contradiction to that of males. This will indeed affect the extent to which each gender will render altruism to the

child. However contrastingly, Piliavin and Unger (1985) argue that men and women have shared equal roles in the rendition of altruism to the subject in question. The differential roles noted is that while women exhibit altruistic behaviour at both low-levels and high-levels scenarios, the altruistic act for men comes into effect at high-level scenarios (Piliavin & Chang 1990). For DeFleur(2010), Baldwin, Perry, and Moffitti (2004) Torstick and Faier (2009) submitted that societal norms impact substantially on the altruistic traits of gender. That is the way or roles societal provides for each gender will navigate their understanding of the performance of altruistic goals as also acknowledged by Howard and Piliavin (2000:117) that “who helps depend heavily on the nature of the help required”.

Smith (2016), Salmon (2004), the birth order or the position someone holds in the family do affect the gender and the extent of the performance of altruistic behaviour, which will transmit to the children. The summary is that literature is inconsistent on gender relationship to altruism as acknowledged in Amato (1990), Batson (1998), Howard and Piliavin(2000), Johnson et al(1989), Khanna et al(1992), Penner et al(2005) that men are more helpful in certain instance, while in others women are more helpful and yet in others, the sex makes no difference.

Altruistic traits amongst gender biases can also be traced to the nature of family given that the traits exist for those raised in a two-parent family having these traits as much as those raised by a female-only. Nevertheless, for gender identity biases of those raised by males such altruistic traits are low. The conclusions reached by Piliavin and Chang (1990) suggest that females more than ever stimulate altruistic behaviour than their male counterparts. Dinkha et al (2012) further substantiate this fact that overall, as recorded in literature, women are more altruistic than men in the face of rising population growth. Nevertheless, does this assertion hold for Nigeria given the assertion that altruism varies across countries? This is the crux of the current study.

## **Theoretical Literature**

Becker (1960) in positing for the theory of fertility argued for the treatment of children in economic analysis to be synonymous to consumer durables like cars or houses. In this regard, the assumption of choice and preferences comes to bear. This enables an explanation for fertility trends been caused by shifts in taste, which are precipitated by changes in income and relative prices. Again, the argument for quantity-Versus- quality for the fertility choice of children, specifically the quality dimension made it possible to observe empirically the effect of income on fertility choice. The argument is that there is the absence of substitutability of demand for children, which the quality dimension enables for switching by the consumer to the quality of children he/she would love to have in the event of changes in income. This relationship as conjectured by Becker (1960) show that fertility does not always decline with income but at high-income levels a positive income-fertility relationship is evidenced to exist. The argument is that income elasticity for children's demand depends on whether child quality or quantity responds stronger to income changes. This is traceable to the variation in the knowledge of birth control at particular income levels. Since consumers do not have the same knowledge or skills at controlling fertility, it is observed that fertility declines at low-income levels but takes an upward trajectory at high-income levels. Overall, given the quantity-versus-quality fertility choice relationship to changes in income, Becker (1960) argues for a low-income elasticity of child quantity and high-income elasticity of child quality. The extension of Becker's theory of social interactions saw Becker and Tomes (1974) argue that child quality (i.e. spending per child) does not only depend on parental inputs but it is also affected by endowments, which can take the form of inheritance, public investments, human capital, technology. The evolving consequence of endowment is that income elasticity of child quality tends to be high at low-income levels. This is attributable to the fact that for low-income parents the endowment fraction takes a larger fraction of the child quality spending.



## Methodology

The presence of mixed order of integration as depicted by the Unit root test results have justified the use of the Auto-Regressive Distributed Lag (ARDL) technique. Pesaran, Shin, popularized this technique and Smith (2001) for secondary-based study given the small and finite size of the data, which enables the use of the Bounds test to verify the existence of a long-run relationship amongst variables of interest, wherefore; short-run estimates are derived from the Error Correction Model (ECM). Post-diagnostic test of heteroscedasticity, autocorrelation, and model misspecification tests are also investigated to give validity and forecasting power to the model specified for estimation.

### 3.1 Model Specification

The theoretical underpinning of the study draws strength from Becker's (1960) theoretical prepositions on fertility that argues for a positive relationship between income and the quantity versus quality demand in fertility choice of children. To this connection, we have that;

$$A = F(I) \quad (1)$$

where A= altruism growth proxied as the percentage of education expenditure on Gross National Income is depicted as Eduex. This connotes the extent government spends on education as a stopgap against private sector non-participation.

I= Income earned for participation in the economy.

But given that either parent can earn Income we have

$$Income = F(MI, FI) \quad (2)$$

Where MI =Labor participation rate, male (% of male population ages 15+)

FI= Labor participation rate, female (% of female population ages 15+)

Thereafter substituting eqn. (2) into eqn (1) we have

$$A = F(MI, FI) \quad (3)$$

The extension of Becker's theory of social interactions birthed Becker's and Tomes (1974) prepositions that spending on child's quality in the face of population growth is also a function of other endowments to include public investments, human capital, and technology. (See also Mulligan 1997).

To this connection eqn. (3) becomes

$$A = F(MI, FI, POP, GDPpc, HCI, TEK) \quad (4)$$

Wherefore:

- (i) Population (POP) connotes the changes in population growth that determines or shapes altruistic traits for parents.
- (ii) The Gross Domestic Product per capita (GDPpc) is taken as a proxy for income distribution, which explains an individual's quality of life given the average income earned per person in a particular geographical space.
- (iii) Based on Uroyos and Dheera-aumpon (2019) that subscribes to development been a major determinant of altruism, the work substitute's economic growth for Human capital index (HCI). This index by World Bank seeks to measure how much capital each country loses through lack of education and health. In other words, which countries are best in mobilizing the economic and professional potentials of citizens.
- (iv) Additionally, given the argument of improvements in productivity that are tied to faster innovation and more investments in human capital as structured by endogenous growth models (See Arrow 1962, Romer



1987 Uzawa-Lucas 1965). The entrance of technical progress into the model is enabled and depicted as TEK.

Taking the explicit form of equation (4) as well as introducing the disturbance term given the ever-changing dynamics of the Altruism-Income nexus equation as modified we have

$$EDUEX_t = \delta_0 + \delta_1 MI_t + \delta_2 FI_t + \delta_3 POP + \delta_4 GDPpc + \delta_5 HCI + \delta_6 TEK + u_t \tag{5}$$

**Where:** all variables are as defined elsewhere in the work. Nevertheless,  $u_t$  = Stochastic error term and  $\delta_0$  to  $\delta_6$ , are the respective estimated coefficient parameters. The data is sourced from World Bank Development Indicators (WBDI) and National Bureau of Statistics (2018). The data spans the period 1981 to 2018.

**A priori Expectation:**  $\delta_1, \delta_2 < 0$ ;  $\delta_3 > 0$ ;  $\delta_4 > 0$ ;  $\delta_5 > 0$ ;  $\delta_6 > 0$

The re-specification of equation (5) into the Auto Regression Distributed Lag (ARDL) equation for estimation we have

**Note:**  $\Delta$ = Differenced Operator;  $\omega$ = Short run parameter estimates; Y= Long run

$$\Delta EDUEX_t = \omega_0 + \sum_{i=1}^n \omega_{1i} \Delta EDUEX_{t-i} + \sum_{i=0}^n \omega_{2i} \sum_{i=0}^n \omega_{4i} \Delta HCI_{t-i} + \sum_{i=0}^n \omega_{5i} \Delta TEK_{t-i} + \sum_{i=0}^n \omega_{6i} \Delta MI_{t-i} + \gamma_2 GDPpc_{t-1} + \gamma_3 HCI_{t-1} + \gamma_4 TEK_{t-1} + \gamma_5 MI_{t-1} +$$

Parameter estimates;  $\omega_0$ = Constant term.; ECT= lagged by one year, which represent the Error correction term linking long and short run equilibrium given a distortion;  $\rho$ = the adjustment parameter estimator. Other variables are as defined elsewhere in the paper.

#### 4.0 RESULTS AND DISCUSSION

Table 1 presents the descriptive statistics of all the variables used in the work. The description is structured around some central measures of tendencies to include mean, maximum and minimum values.

**Table 1: Descriptive Statistics of the Variables of Interest from 1981 to 2018**

Description	POP	EDUEX	GDPpc	HCI	TEK	MI	FI
Mean	2.58	1.51	10.65	6.51	2.95	64.8	54.1
Maximum	2.72	5.11	13.39	7.59	8.14	67.2	55.3
Minimum	2.49	0.85	7.52	5.87	0.22	58.2	48.1

**Source:** Extract from e-views 10 output.

#### **NB: Total observations at 38**

A cursory look at table 1 reveals that the Population Growth (POP), which has averaged 2.58% throughout the study reached a maximum of 2.72% in the year 1981, while in the year 1997 it recorded the lowest growth rate of 2.49%. This behaviour can be attributable to the drop in child mortality following increasing percentages of birth rates according to World Bank 2019 reports.

Education expenditure (EDUEX) as a percentage of Gross National Income, which is a proxy for altruism, did average 1.51% from 1981 to 2018. In 1981, it recorded a maximum value of 5.11%. This is attributable to efforts

made by both the private and public sectors towards revamping the sector as portrayed by Odeleye (2016). However, over two decades, it continually until 2018 to maintain a minimum value of 0.85% as reported by the 2019 World Bank Report. It was observed that public sector participation in the provision of educational facilities has dwindled over the period.

The Gross Domestic Product per capita income (GDPpc), which measures the income index of the population, hovered around 10.65 units throughout the study. It recorded maximum and minimum values of 13.39units

and 7.52units in the year 2018 and 1981 respectively.

The Human Capital Index (HCI) reported a maximum performance of 7.59 index points by the year 2016 as well as a minimum value of 5.87 index points by the year 1981. The period reported an average performance of 6.51 index points for HCI

The Technical Progress (TEK) index was reported at an average of 2.95 basis points from 1981 to 2018. In the year 2018, the maximum value of 8.14 basis points was reported while in the year 1981 a value of 0.22 basis points was reported as the lowest value. Reasons attributable to the performance of GDPpc, HCI, and TEK is traced probably to the behavioural traits inherent in citizens' education, the status of health and educational infrastructure, inflation, and general well-being of the Nigerian citizenry (Anyanwu et al 2015)

The labour participation rate for men and women at ages 15 and above who represents men and women who contribute their services to the productive system or are economically active have averaged 64.7% and 54.1%

respectively over the period 1981 to 2018. Men and women's contributions as active members to the productive process peaked in year 1990 and 2010 at 67.2% and 55.2% respectively. However, by the year 2016 both men and women labour participation evidenced their lowest values of 58.2% and 48.1% respectively. The reasons of such poor performance according to Congressional Budget Office Report (2018) Richer, Chapman and Mihaylov(2018)is traceable to less generous maternity and child-care policies; higher incarceration rates; poorer health outcomes and less spending on the job retraining as well as job-search assistance programs; harsh economic conditions; changes in the demographic conditions and caregiving traits. The presence of these issues will naturally account for the optimum performance of this indictor as earlier observed in years 1990 and 2010.

#### **4.1 Augmented Dickey-Fuller (ADF) Unit Roots Tests**

The Augmented Dickey-Fuller (ADF) test of stationarity is a tool deployed to observe whether the variables of interest exhibit unit-roots to cause spurious results. The estimation of these results is shown in table 2.

**Table 2: Augmented Dickey-Fuller Unit Root Test at Level and 1<sup>st</sup> Difference**

Variable	Level	1 <sup>st</sup> Difference	5% Critical Value	Prob. Value	Order of Integration
		ADF t-statistic			
POP	Non-Stationary	-5.49	-2.95	0.0001	I(1)
EDUEX	Stationary	-6.88	-2.95	0.0000	I(0)
GDPpc	Non-Stationary	-3.34	-2.94	0.0204	I(1)
HCI	Non-Stationary	-4.14	-2.97	0.0034	I(1)
TEK	Non-Stationary	-5.86	-2.95	0.0000	I(1)
MI	Non-Stationary	-4.31	-2.95	0.0018	I(1)
FI	Non-Stationary	-2.94	-2.94	0.0507	I(1)

**Source: Extract from e-views 10 output.**

A cursory look at Table 2 highlights that except for EDUEX, which shows stationarity at level, form I(0), all the other variables became stationary at first difference I(1). The benchmark to arrive at this decision is predicated on the absolute value of the t-statistic been greater than the 5% critical value. Given that the Unit root results are at a mixed order of integration of I(0) and I(1), it is again justified for the use of Auto Regression Distributed Lag (ARDL) methodology instead of Ordinary Least Squares, which has the

capacity, in this instance to churn out spurious results for the study.

#### 4.2 Lag Selection Criteria

To the foregoing connection, given the justification towards utilizing the ARDL methodology, it becomes pertinent to estimate the lag length selection criterion, whose results are tabulated in table 3. This ensures that optimum lags are selected to guide against model over parameterization, which has the capacity to spiral out spurious results.

**Table 3: VAR Lag Order Selection Criteria**

Criteria/Lag Length	0	1	2
Sequential Modified Test Statistic (LR)	-Not Available	629.8	232.58*
Final Prediction Error (FPE)	1.68e-05	4.57e-14*	1.49e-17
Akaike Information Criterion (AIC)	8.86	-10.90	-19.254*
Schwarz Information Criterion (SC)	9.17	-8.44	-14.638*
Hannan-Quinn Information Criterion (HQ)	8.97	-10.04	-17.64*

**Source: Extract from e-views 10 Output: Note: \* indicates lag order selected by the criterion.**

The overview of table 3 shows that the optimum lag length of two lags is selected given the usage of the AIC method as well as the reportage of almost all the selection criterion depicted by the asterisk. The lags selected enables for the determination of a parsimonious and well-fitted model.

#### 4.3 Bounds Co-Integration Tests

Verifying the existence of long-run relationship amongst the variables of interest forecloses the need to carry out the Bounds Test of Cointegration. The results are reflected in table 4 for perusal.

**Table 4: ARDL Bounds Cointegration Test**

Dependent Variable	D (POP)			
Selected Model	ARDL (1,3,0,0,0)			
F-Bounds Test	Null Hypothesis: No levels relationship			
Test Statistics	Value	Signif.	I(0)	I(1)
Asymptotic: n =1000				
F-Statistic	9.459	10%	1.99	2.94
K	4	5%	2.27	3.28
		1%	2.88	3.99

**Source: Extract from e-views 10 output.**

The decision to the acknowledged presence of long run relationship amongst the variables presuppose that the F-statistics need to be above the Upper bound value I (1). Via observation, of the results, the F-statistics reported at 9.46, which is greater than 3.28

being the upper bound I(1) at a 5% level of significance. Thus, conclusions are drawn to the effect of the existence of a long-run association between the variables utilized in this study. Given the existence of cointegration based on the Bounds Test, it becomes pertinent

for the estimation of the short-run and long-run models, whose results are presented in table 5 panel A & B.

#### 4.4 Estimation of the ARDL Long Run and Short Run Models

**Table 5A: Regression Results for Equation 6: Long Run Estimates**

Variable	Dependent Variable: EDUEX	
	Coefficient	t-statistic
Constant	29.56	1.42
POP	-30.25	-2.09**
GDPpc	-0.61	0.37
HCI	6.81	2.19**
TEK	-0.17	-0.67
MI	-0.48	-1.33
FI	0.77	1.48

**Note:** \*, \*\*, and \*\*\* depict significance at the 10%, 5% and 1% levels respectively

**Source:** Extract from e-views 10 output.

The long-run estimates reveal that population growth and Human Capital Index are strong predictors or influencers of altruism towards children in Nigeria within the time of the study. It means that a percentage increase in population growth has the capacity to reduce altruism towards children in Nigeria by 30.2%. This might not be unconnected to Uruyos and Dheera-aumpon (2019) that conjectures parental altruism being related to the level of development. That as a nation's poverty profile increases, given rising population growth, it will affect the per capita income. This has negative implications on the ability to render care to others even to children in whom natural parental love is bestowed. This thinking is also in tandem with the negative relationship GDPpc (i.e. per capita income) correlates with altruism even though it is not statistically significant but theoretically and economically plausible. In a similar vein, the foregoing discourse as articulated by Uruyos and Dheera-aumpon (2019) Armellini and Basu(2010) Rosenzweig and Wolpin 1980, Rosenzweig and Zhang 2009, Smith (2005), that human capital having positive spillover on productivity that may not have been privately internalized. These further explanations on the positive and significant relationship between human capital and altruism. That is a percent rise in HCI will lead to a 6.81% increase in altruism in Nigeria. Even though the gender identity bias estimates based on a bird's view observation of the results as depicted in table 5

did not offer statistical significance as such, conclusions might suggest that they are not strong predictors of altruism towards children. Nevertheless, the a priori or theoretical relationship suggests insights into this unfolding event, more so that gender identity bias is at the crux of this investigation. To this extent, submissions in this regard are justifiable as credence is laid on the import of F-statistics, which has reported a strong joint significance of the independent variables on the dependent variable towards explaining the existing phenomenon.

As the labour participation rate of males 15 years and above increases, it has the propensity to increase the extent of altruism behaviour of males towards children. This might be explained by Eisenberg and Strayer (1987), Skarin and Moely(1976) assertions that socialization norms, which ascribe roles of subservience dependency and caregivers to females and those of competitiveness and assertiveness to men. These entrench social norms might lead to reduced altruism of men to children as well as explanations for the negative relationship between improved technical efficiency and innovation, (which is observed with curiosity). In essence, the way or roles society provides for each gender will navigate their understanding of the performance of altruistic goals as also acknowledged by Howard and Piliavin (2000).

The argument that with increasing women labor participation, the more their altruistic exposure for their children seems to strengthen as articulated by Birchell and Soares (2007). The findings of this study probably reveal this positive relationship. However, Rapoport and Vidal (2003) provide contrary submissions that as women become income enhanced their parental altruistic tendencies decreases.

The summary of the epicenter of the study, which seeks to ask whether gender identity bias matters are addressed from the foregoing discussion that indeed gender identity bias matters in the long run, even though the

**Table 5B: Regression Results for Equation 6: Short Run Estimates**

Variable	Dependent Variable: D(EDUEX )	
	Coefficient	t-statistic
ΔDUEX (-1))	0.29	3.86***
Δ(GDPpc)	0.21	4.46***
D(POP)	-0.32	-0.82
Ect	-0.06	0.000***

R-Squared = 0.95; Adjusted R-Squared=0.94; DW=2.19; F-Statistics(prob.) = 1186.1(0.000)

**Note: \* \*\*and \*\*\* depict significance at the 10%, 5% and 1% levels respectively**

The short-run estimates show a significant effect of previous altruistic traits on the current state of altruism. That is a percentage increase in previous altruistic traits towards children increases its current state by 0.29%. Further findings reveal that per capita income (GDPpc) in the short run exhibit a positive influence on altruism towards kids, given its statistical significance at 1%. That means a percentage increase in per capita income leads to a concomitant 0.21% movement in altruism towards children. The short-run behaviour of per capita income is in contra wise with the long run. That is while a negative relationship between per capita income and altruism towards kids is observed in the long run, the short-run relationship reveals a positive relationship. The probable reasons for such seemingly short-run positive effects between per capita income and altruism towards kids can be traced to Rapoport and Vidal's (2007) allusions that government in most instances

statistical significance paints a story of gender bias been a weak predictor of altruism in Nigeria. However, submissions are made based on the economic relationship, which reveals that the male gender exhibit a negative relationship with altruism towards children as against the female gender that shows a reverse relationship in this regard. It means that the more women participate in labour, the more enhanced their altruistic attitudes to children while the reverse is the case for increases in male participation in labour, which shows that as such labour participation increases of men, the less they become altruistic towards their children.

tries to bridge the gap to minimize the inadequacy of natural parental altruism. That is most of the time altruism towards kids is absent but government actions in subsidizing education provide a shadow price as a cost to such negligence by parents. Again, Omeje and Ogbu (2015) also acknowledge that the influx of innovation and technology has the capacity to guarantee an enhanced human productivity that will precipitate such initial positive effects between per capita income and altruism towards kids in the short run. This eventually diminishes in the long run, given the law of diminishing returns, as such placing a burden on the living standards of the people, to stimulate negative attributes to the per capita income-altruism to kids nexus. These are additional grounds to provide for the probable reasons for the mixed results.

Population growth in the short run has a similar relationship with the long run, which posit negative association with altruistic behaviour towards kids. The only variations in the results stem from the fact that while the short-run results show absence of been a strong predictor, the long run results is on the reverse.

Error Correction Term (ECT) shows the quantum and length of time it takes for convergence to equilibrium when an innovation or shock is introduced into the system. To this end, it takes in the current year, for convergence or recovering to be achieved at 6%, in an event of a disturbance to the system. The length of time to achieve equilibrium in the event of such a shock, given



that altruism towards kids are caregiving attributes, it could take the system about 15years and 6months to achieve stability.

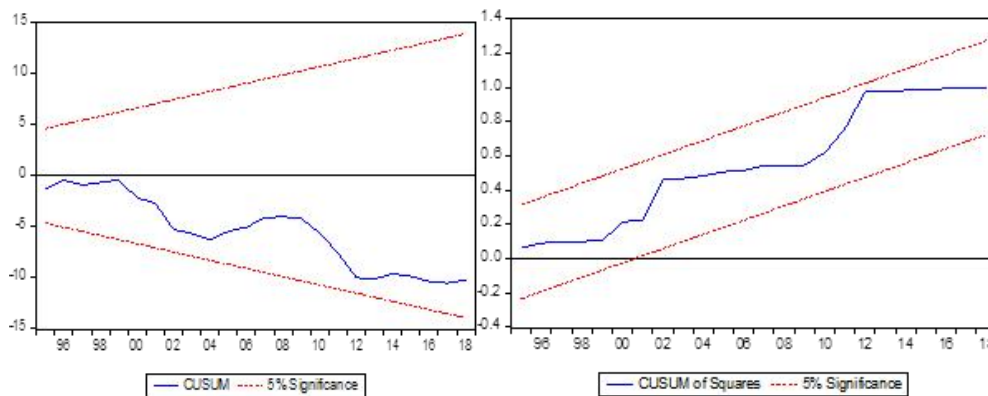
**4.5 Post Diagnostics:**

Table 6 has presented diagnostic results of the model robustness tests to include serial correlation, heteroscedasticity, and stability.

**Table 6: Residual Diagnostic Tests**

Type of Tests	P-Value
Breusch –Godfrey Serial Correlation LM Test	0.2111**
Heteroskedasticity Arch Test	0.1**
Cusum and Cusum Squares. Tests (see fig 1)	Stable**

*Source: Extract from e-views 10 output*  
**\*\*significant at 5% level**



**Fig 1: Cusum and Cusum Squares Stability Test**

The confirmation of the robustness of the model specified is listed in table 6, which shows that the forecasting power of the model is largely appropriate as denoted by the insignificant probability values of the tests at 5% level of significance. In essence, the model’s residuals are largely devoid of the presence of serial correlation and heteroskedasticity threats. Again, the model is properly specified. Fig 1 also suggests that the residuals of the models are stable for each of the estimated parameters, given that the trend line is bounded by the 5% level of significance. This implies that severe threats of Multicollinearity are decimated to minimum levels. Thus, one can conclude that the parameter estimates are valid and can be relied upon for forecasting.

**5 Conclusion**

The ARDL methodology is utilized to investigate whether Gender bias matters in the altruistic attitudes to children while taking evidence from Nigeria between 1981 and 2018. Indeed, the findings suggest that gender bias matters are given that women pro-altruism to children is greater than men, in the face of rising population growth. That is, as women's labour participation increases so do their altruism to children upkeep increases. The reverse is the case for men. Other findings show that in the face of increasing population, which places a negative burden on per capita income and productivity as such transmitting negative impulses to parental altruism towards children, especially in the long run. To add to these long-run effects, as the human capital improves so does altruistic tendencies to children enhances.

Short run effects as observed around per capita income is contra wise to the long run dynamics. To this connection, to enhance parental altruism towards the child, incentives, and strategies by the firms and government should be instituted to stimulate female labour participation in the work environment. This will not only boost productivity but also increase the per capita income as such enabling higher proportions of parental altruism to children.

Additionally, in trying to stem the positive trajectory of population growth which has negative implications on parental altruism to

the children, strategies such as delay in marriages and reproductive periods noticed amongst girls will benefit population control and vice versa increase altruistic capabilities of parents to their kids. On the other hand, if population growth is to be encouraged then the government and private sector should seek novel strategies in the form of enhanced technology to increase productivity in the short and long run, which can support the increasing population via profitable investment activities that will lead to increasing female labour participation. The end game effect of these actions is that of enhancing the parental altruistic traits towards children.

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# **Effect of Workplace Bulling and Work Ethics on the Performance of Money Deposit Banks in Benue State Employees**

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## **ABSTRACT**

*The study is on effect of workplace bulling and work ethics on the employees' performance of money deposit banks in Benue State employees. The research instrument used was primary data with population of 108 respondents from money deposit banks in Benue State Nigeria. The data collected were analysed using descriptive statistics mean, standard deviation, skewness and kurtosis. The results from the hypotheses shows that employee performance is significantly affected by workplace bullying and work ethics; workplace bullying has mean value of 3.86 (SD=0.767). It was then conclude that workplace bullying has negative effects on employees' performance in the deposit money bank in Benue State. The study recommended the work ethics should be observed and there should be workplace legislation to protect employees' rights.*

**Keywords:** Workplace Bulling, Work Ethics, Performance, Money Deposit Banks

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Managing organizational resources is a vital aspect for the success of any organization in today's business world. It is established that human resource HR is the most critical factor in this respect. NadirisndTanova (2010), stated that human resources plays a central role and demand special attention. HR is recognized as the main differentiating success factor for most organizations especially for the servicef ocused organizations. Therefore, the challenge facing most organizations is to retain and satisfy their human resources which affect the competitiveness of organizations (Tehrani, 2004)

Notwithstanding the enjoyment people experience from their job, the efforts and engagement they put into it, work can also have negative effects. Social stressors at work like interpersonal conflict, aggression and workplace bullying have been found to have severe negative consequences for employees, organizations, and society, for example, by negatively affecting employee commitment, engagement, and health (Bowling&Beehr, 2006; Nielsen &Einarsen, 2012).

Workplace bullying includes repetitive, negative behaviour exhibited by individuals or groups that is directed toward another individual or group with the intent to intimidate, degrade, humiliate, or undermine the target and interfere with their health or safety (Workplace Bullying Institute, 2015).

In recent years, there has been a growing awareness of workplace bullying as a major occupational risk for employees and employers. The statistics are somewhat disturbing as to the number of employees who have experienced one of the most negative effects of bullying, turnover. More specifically, research shows that 27% of US workers are bullied and in 82% of all reported cases, the bullied individuals lost their jobs. Of those who lost their jobs, 44% were the result of involuntary termination and 38% were employees who voluntarily left (Scholten, 2005). Further, another 21% of workers have witnessed bullying behaviour, indicating that approximately half of the US workforce has been affected by bullying (Branch & Murray, 2015). Layman began to investigate bullying at work in Sweden and his execration came in the

limelight. In early 90's, different researches started took place on workplace bullying in Finland and Norway followed by German, Austria, United Kingdom, Ireland and many other countries.(Haq, Zia-ud-Din, &Rajvi, 2018).

The emerging trend in work that is beginning to serve as a mark of merit or critical edge is the level of workplace ethics that is dwelling within an organization. In the face of the emerging world economy, an organization that is involved in a proper framework for good governance must practice work ethics and incorporate good values as part of its organizational culture if it must achieve higher performance (Omisore et al, 2015). Presently, in Nigeria today, work ethics has been an interesting subject in management and business in general, due to its benefits in evaluating employees' behaviour and performance and it is so critical to organisation performance (Kapp and Parboteeah 2008, Schminke et al. 2005). Companies and institutions all over the world, both public and private maintain codes of corporate governance for managing ethical performance (Rossouw, 2005). Despite its importance, no single organisation is safe from corporate scandals (Samir et al; 2015), in years malpractices have been observed in organisations which go beyond legal and ethical context. Different cases have been reported in various countries worldwide in regard to the workplace ethics and organisational performance. In the United States of America (USA) for example, a case study of ENRON recorded the high risk of accounting practice which is an element of unethical practices, and other cases of World Com and Tyco (Komari&Fariastuti, 2013).

However, it has been argued that non observance or nonexistence of some set of ethical values have been a contributory factor to the Africa predicaments particularly in Nigeria in leaderships (Agbude&Etete, 2013).The good performance of banks depends particularly on the performance of branches. In this context, in order to increase the performance of banks, it is necessary to measure the performance of the branches on the criterion of effectiveness, productivity, the quality of work life, innovation, service quality

and profitability, and then to take precautions according to the findings attained (Takan&Boyacıoğlu, 2011). Developing countries, for instance Nigeria faced corporate failures on banking sector in 1997, twenty six commercial banks failed due to financial irregularities such as AfriBank Plc and Bank PHB (Bello S.M, 2012). Kenyan, Mauritian, and South African codes take the lead in venturing deeper into what the governing of ethical performance entails beyond developing a code of ethics. The most comprehensive recommendations on the governance of ethics are to be found in the second King Report on Corporate Governance for South Africa (IoD of South Africa, 2002). Nigeria, for the past years has been in battle with evolved corruption which spiralled out as a result of unethical practices in the offices involving public and private workers and leaders, and that affected performance of institutions (Heilman&Ndumbaro 2002).

According to Bisimba & Peter, 2015, LHRC & ZLSC, 2015 and LHRC, (2016), different scandals witnessed as a result of malpractices in the offices such as the case of Radar bought from UK’s BAE Systems, the EPA scandal, the David Jairo scandal, Tegeta Escrow and the Richmond (Dowans) saga. Reports of scandals, questionable business and political behaviour in many organizations are extremely increasing their rate.

**Statement of the problem**

As banks are significantly important for both the financial sector and the economy as a whole, the problems and the crises in the banking sector would spread to the whole economy in no time. In this context, the auditing of banks and then taking the necessary precautions following these audits are quite significant (Günel, 2010). Some

important element of ethics like confidentiality, honesty, reliability, password related issue could be compromised due to workplace bullying by the superiors.

Therefore, this study seeks to investigate the effect of workplace bullying and work ethics on the performance of deposit money banks in Benue state.

**Objectives of the study**

The specific objectives of the study shall be

1. To investigate the effect of work place bullying on deposit money banks in Benue state
2. To ascertain the effect of work ethics on deposit money banks in Benue state

**Methodology**

The population for this study is 108 which was gotten from the selected deposit money banks ( First bank, Union bank, United Bank for Africa, Guarantee trust bank, Zenith bank and Access bank) across Benue State.

The data for this study were obtained with the use of questionnaire. Based on this pilot survey and protests, a highly structured, close-ended questionnaire was formulated on a Likert scale. The questionnaire contained few open-ended questions to gather the views of the respondents towards factors contributing to workplace bullying and impact of it on personal and organizational performance. The primary data were collected by personally contacting the respondents from these areas.

**4. Results**

**4.1 Descriptive Statistics Analysis**

In presenting data using descriptive statistics mean, standard deviation, skewness and kurtosis were used to explain where most of the responses fall and how much data is skewed or symmetric.

**Table 1: Descriptive Statistics Analysis**

Variable	N	Mean	Standard Dev.	Skewness	Kurtois
Workplace bullying	108	3.86	.767	1.024	1.223
Work Ethics	108	3.98	.875	1.816	.242
Employee Performance	108	4.06	.639	1.705	1.869

**Source:** Authors’ Computation from SPSS Output, 2021

From the result in Table 1 employee performance is the dependent variable while

work ethics and workplace bullying are the independent variables. For employee



performance we have mean value 4.06 (SD=0.639) which shows employee performance is significantly affected by workplace bullying and work ethics; workplace bullying has mean value of 3.86 (SD=0.767) which means that the respondents agreed that workplace bullying is practiced to a large extent in their organizations while work ethics has a mean value of 3.98(SD=0.875) which explains there are different work ethics practiced in the banks surveyed.

In Table 1 skewness value for employee performance is 1.705; for workplace bullying, the skewness value is 1.024 and for work ethics, the skewness value is 0.1816. The result indicates that all the skewness values for the variables are above 1 which means that data distribution is highly skewed. Also, from Table 1 Kurtosis shows that the near its value is to 0 the better the data distribution, the values for kurtosis the Table 1 for employee performance is 1.869; for workplace bullying it is 1.223 while for work ethics it is 0.242.

**Table 2: Correlations Matrix**

Variables	Workplace bullying	Work ethics	Employee Performance
Workplace bullying	1		
Work ethics	.684**	1	
Employee Performance	.645**	.570**	1

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

Source: Researchers' Computation from SPSS Output, 2021.

Table 2 shows the correlation between all the independent variables (workplace bullying and work ethics) and the dependent variable (employee performance). The result indicated a positive relationship between the variables. The result found a strong and positive correlation between workplace bullying and employee performance ( $r=.645$ ;  $p<.01$ ) and a

strong and positive correlation between work ethics and employee performance ( $r=.570$ ;  $p<.01$ ).

**Hypotheses Testing**

**Table 3: Regression Results**

Hypotheses	Beta	T	Sig.	Decision
Workplace bullying	.286	2.83	.006	Significant
Work ethics	.328	3.17	.005	Significant
R Square	.642			
F Change	8.71			
Sig	.000			
Durbin-Watson	1.69			
	0			

Predictors: (Constant), Work ethics, Workplace bullying

Dependent Variables: Employee Performance

Source: Researchers' Computation from SPSS Output, 2021.

test the hypothesis one ( $H_{01}$ ) the critical value of t-statistics is  $\pm 1.96$  at 95% and the result shows that  $\beta = 0.286$ ,  $t = 2.83$ ,  $p < .05$  and the null hypothesis which states that workplace bullying has no significant effect on employee performance in deposit money banks in Benue State is rejected, hence it is concluded that workplace bullying has significant effect on employee performance in deposit money banks in Benue State.

To test the hypothesis two ( $H_{02}$ ) the critical value of t-statistics is  $\pm 1.96$  at 95% and the result shows that  $\beta = 0.328$ ,  $t = 3.175$ ,  $p < .05$  and the null hypothesis which states that work ethics has no significant effect on employee performance in deposit money banks in Benue State is rejected, hence it is concluded that work ethics has a positive and significant effect on employee performance in deposit money banks in Benue State.



## 5.0 CONCLUSION AND RECOMMENDATION

### a) Conclusion

Based on the findings of this study, it can be inferred that employee performance in an organization is affected by workplace bullying and work ethics. Hence, workplace bullying has significant effect employee performance in deposit money banks in Benue State.

### b) Recommendations

The study therefore, recommended that the various work ethics should be strictly adhered to in order to avert its negative impacts on employee performance and employees in the organizations should be protected against workplace bullying through workplace legations.

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### Correlations

		Workplace bullying	Work ethics	Bank Performance
Workplace bullying	Pearson Correlation	1	.484**	.245*
	Sig. (2-tailed)		.000	.011
	N	108	108	108
Work ethics	Pearson Correlation	.684**	1	.370**
	Sig. (2-tailed)	.000		.000
	N	108	108	108
Bank Performance	Pearson Correlation	.645*	.570**	1
	Sig. (2-tailed)	.000	.000	
	N	108	108	108

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

\* . Correlation is significant at the 0.05 level (2-tailed).

### Regression

**Variables Entered/Removed<sup>a</sup>**

Model	Variables Entered	Variables Removed	Method
1	Work ethics, Workplace bullying <sup>b</sup>		Enter

a. Dependent Variable: Bank Performance

b. All requested variables entered.

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.877 <sup>a</sup>	.642	.626	.597	1.690

a. Predictors: (Constant), Work ethics, Workplace bullying

b. Dependent Variable: Bank Performance

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.214	2	3.107	8.711	.000 <sup>b</sup>
	Residual	37.453	105	.357		
	Total	43.667	107			

a. Dependent Variable: Bank Performance

b. Predictors: (Constant), Work ethics, Workplace bullying

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.825	.328		8.626	.000
1 Workplace bullying	.272	.086	.286	2.836	.005
Work ethics	.289	.075	.328	3.175	.002

a. Dependent Variable: Bank Performance

**Residuals Statistics<sup>a</sup>**

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	3.45	4.38	4.06	.241	108
Residual	-1.926	1.241	.000	.592	108
Std. Predicted Value	-2.523	1.351	.000	1.000	108
Std. Residual	-3.225	2.078	.000	.991	108

a. Dependent Variable: Bank Performance

# Interrogating the Imperative of Social Responsibility of Firms in South-South Nigeria: Airtel and MTN Nigeria Limited in Focus

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## ABSTRACT

*The study seeks to determine the impact of Social Responsibility on the sustainability of firms, ascertains the impact of Social Responsibility on host community development in South-south Nigeria and investigates the effect of Social Responsibility on Youths development in South-South Nigeria. The study adopted an interpretivist philosophy with a blend of qualitative and quantitative approach in addressing the research issues under investigation. An accessible population of 1946 was drawn from the two companies covering three categories of stakeholders; employees, customers and community leaders. A sample size of 332 respondents was consequently determined using Taro Yamane formula. Structured closed-ended questionnaire as well as interview method was adapted to source for primary data for the study. Pearson Product Moment Correlation technique was used to test the hypotheses at 0.05% level of significance. The findings revealed that; Both network providers are not adequately involve in SR activities in the region, secondly, host communities that have benefited from the identified service providers SR benevolence tend to demonstrate more client loyalty to the companies. The study recommends among others that: the identified companies operating in the region should be more socially responsible for sustained economic development of the region.*

**Keyword:** *Customers, Organization, Social responsibility, South- South*

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## **Introduction/Statement of the problem**

As the concept of corporate social responsibility increasingly grows in organizations, it has increasingly generated some key issues of concern including financial implications, corporate objectives and core value system consideration and security. With the growing social crises all over the world and harsh business climate, especially in Nigeria, the question is how can businesses be effectively mobilized to achieve Social Responsibility (SR)? Again, the issue of stakeholder's trust has also been identified as a challenge in the quest for effective SR activities in organization especially in a society like Nigeria where corruption has permeated all fabric of organizational leadership including members of benefiting communities. It is therefore sad that social responsibility drive has been hindered by so many factors which this study seeks to unravel. To achieve this effectively, this study is undertaken to achieve the following research objectives

1. To determine the impact of Social Responsibility on the sustainability of firms
2. To ascertain the impact of Social Responsibility on host community development in South-south Nigeria.
3. To investigate the effect of Social Responsibility on Youths development in South-South Nigeria.

## **LITERATURE REVIEW**

### ***Concept of social responsibility.***

The subject of Social Responsibility is so important that outstanding organizations such as, Wall-Mart, General Electric, IBM, Google, Johnson and Johnson, Intel, Nestle, Unilever, etc have all adopted it as a working policy (Adekoya, 2011). Some scholars have also attempted defining CSR on the basis of governance gap. In line with this perspective, Amaeshi, Adegbite, and Rajwani (2016) defines CSR as the formal and informal way in which businesses make contributions to improving the governance social, ethical, labour and environmental conditions of developing countries in which they operate, while remaining sensitive to prevailing religious, historical and cultural context. CSR refers to how corporation meets social, environmental, and economic demands of their multiple stakeholders especially in their

attempt of meeting the goals of sustainable development (Babalola, 2012: Kenneth, Adi, Ogbechie, Amao, & Olufemi, 2006). From the foregoing, CSR is, viewed as voluntary actions that organizations initiate beyond their compliance with legal requirements, to addressing both its own competitive interests and the interest of wider society including host communities in the form of welfare support services and palliatives (Amaeshi, Adegbite, Ogbechie, Idemudia, Kan, Issa, & Anakwue, 2016). Although, interest has been growing in recent years, the concept of SR is not really new, the idea that businesses have a social role can be traced back over a century (Amaeshi, Adi, Ogbechie, & Amao, 2006). The first modern definition of social responsibility was postulated by Bowen (1953). In his view point, business operators are responsible for the consequences of their actions in a sphere wider than that covered by their profit and loss statements (Arnold, & Valentin, 2013). Today, policy makers, companies and citizens are paying increasing attention to CRS (Babalola, 2012). The Commission for the European Communities (2001) defines Corporate Social Responsibility as a "concept whereby companies integrate social and environmental concerns in their business operations and their interaction with their stakeholders on a voluntary basis". Thus, a business organization configuration of principle of social responsibility, processes of social responsiveness, and policies, programmes and observable outcomes as they relate to a firm's societal relationships is referred to as CSR (Pivato, Misarri, & Tencati, 2008).

Adeyanju (2012) stated in his discussion that today SR has become an enterprise development mechanism between small enterprises and large corporations. Akinpelu, Ogunbi, Olaniran, and Ogunseye (2013), opined that RS is an obligation that all corporations owe it diverse stakeholders in their respective business environment. Many scholars in the world of business have attempted in defining Social Responsibility (SR), for instance, Mordi, Opeyemi, Tonbara, and Ojo, (2012) "defines SR from legitimacy view points as corporation's moral obligation to the society carried out for the purpose of promoting societal values and peaceful relation in the operating environment. Social Responsibility (CSR) activities in Nigeria began from the acts of Multinational

Organizations (MNCs) tasks in the extraction divisions of the Nigerian economy, particularly in the oil sector. Their activities in networks came about in SR breaks, for example, oil spillage, gas flaring, militancy/network tumults and dumping of harmful waste materials in streams. These activities wrecked the wellsprings of pay for the networks which are for most part cultivating and angling, prompting far reaching neediness and fomentation from the networks. In total, these raised worries about the job of organizations in the Nigerian culture (Osemeke, Adegbit, & Adegbite, 2016).

### ***THE NEED FOR SR IN ORGANISATIONS AND COMMUNITIES.***

A review of organizational performance reports and studies by external observers shows that a complex mix of forces drive Multinational Corporations to practice good Corporate Citizenship (Rondinelli & Berry, 2000). Subsequently, SR activities in Nigeria have not been vital, in a way which gives an exhaustive commitment of organizations in the public eye and country building, however, SR have been socially situated, mirroring the religion, ethnicity, conventions and collective way of life of the individuals which includes sharing, fellowship and agreement. All things considered SR activities in Nigeria have been for the most part optional and magnanimous, described by gifts, foundations and network improvements. Most corporate elements, for example, MNC and money related foundations are paying attention to SR activities. Some have SR offices and distribute their natural/SR reports notwithstanding their yearly reports. Their SR activities include generally sponsorship in sports, beautification of streets, giving gifts and undertaking executions. A portion of these undertakings incorporate the arrangement of borehole water, youth strengthening, schools and human services habitats for the networks (Osemeke, Adegbit, & Adegbite, 2016: Bolanle, Olanrewaju, & Muyideen, 2012).

It has also become imperative in today's complex world of business for firms to stay competitive. Thus, to stay competitive in the global market place, Multinational Corporation have developed strong supply claims which serve the need of the company as

well as meet the needs of their customers in attempt to be socially responsible (Choi, Feng, Liu, & Zhu (2019). Rondinelli and Berry (2000) emphasized that, many multinational companies see immediate and direct business benefit from proactive environmental management in the form of lower costs, less risks and liabilities, and more efficient operations when firms are more socially responsible. Many companies also receive long-term returns from promoting sustainable development including stronger competitive advantages, preservation of crucial resources and raw materials, favourable corporate image, and opportunity for new product development, when they are promoted in a socially responsible manner (Dartey-Baah, & Amponsah-Tawiah, 2011: Dejan, Hassan, Siraj, & Turunen-Red (2019). Dusuki, and Yusof (2008) observed that socially responsible multinational companies who practice CSR activities leads to stronger sales and customers loyalty, increased productivity and quality, an enhanced ability to attract and retain employees and in some cases to reduce regulatory oversight or more favourable treatment by regulatory agencies (Ite, 2004).

### **CHALLENGES OF SOCIAL RESPONSIBILITY IN NIGERIA**

Businesses are constantly being accused of making huge profits; damaging the local environments and exhibiting gross indifference to the plight of their host communities and society at large. This have put them constantly under internal and external pressures to fulfill broader social goals (Peddada, & Adam, 2019: Pepple, 2019: Potluri, & Raime, 2018). In accessing the performance of Corporate Social Responsibility, a lot of emphasis has been on comparing what corporations take from society against what they give without considering whether they have the capacity to give more than what they given (Pepple, 2019). The huge resources at the disposal of business, have given the wrong impression and has made society see Business as having unlimited ability to use Corporate Social Responsibility as a vehicle for development but reality on ground suggest otherwise. For business to carry out the task of SR efficiently both economic (including the general financial condition of the firm, the health of the



economy) and institutional factors (public and private regulations, the presence of non-governmental and other independent organizations that monitor corporate behaviour, institutionalized norms regarding appropriate corporate behaviour, and organized dialogues among corporations and their stakeholders) must be in place, (Pepple, 2019) these factors are missing.

The attempt to push business to attend to other issues even when attending to such other issues enhances the prospect of profitability is suicidal due to the absence of two important planks – Economic and Institutional factors. Business engagement in solving social problems increases social overhead costs and these costs cannot be borne out of profit but out of capital which will lead to fewer and poorer jobs and impaired standard of living (Pepple, 2019). The economic environment is not conducive for business, thus: double taxation, increased production cost, increased stock, poor purchasing power etc makes business survival difficult. In spite of these challenges the demand for business to engage in SR is increasing. As a popular pun says; “it is not enough for business to do well; it must also do good.” but in order to “do good” a business must first “do well” (and indeed “do very well”) (Pepple, 2019). Social Responsibility as a voluntary activity constitutes a challenge to its implementation. The non-regulation makes it clumsy. There is no boundary as to what can be asked from an organisation or a limit to what an organisation can give. Businesses are left at the mercy of their host communities in particular and the society in general. The efficiency of SR is hampered by this open-ended approach. Businesses have folded because of much demand on them by the society in the name of SR. The present situation does not allow business to plan; in most cases they are forced into signing MOUs they know they can’t keep in other to have “peace”. Ambiguity in the meaning of SR is another problem. Is SR what an organisation does to promote its business interest directly or what it does that may promote its interest but was not intended originally? This is the ambiguity question (Peddada, & Adam, 2019; Pepple, 2019; Potluri, & Raime, 2018).

It is even more difficult to understand when one realizes that every act of a corporate body is in the long run directly beneficial to

the business. When an organisation builds a road that leads to its business location as it is common with SHELL, is that SR? To the company, it has constructed a road that is beneficial to the community and that is SR because it is expected that members of the community will benefit from the usage of the road but the community may not see it from that perspective (Peddada & Adam, 2019). When a business concern builds a health facility for its workers and allows the community access to it at no cost, the community sees that as the “company clinic” and in most cases demands a health center for the community. This “confusion” arises because while the communities believe that SR is the additional responsibilities of businesses to local and wider communities (Peddada & Adam, 2019) business believes it is any action carried out by business that impacts society positively no matter who gains more. Another major challenge to the implementation of SR is community entitlement mentality. Most communities believe that SR in whatever form they conceive it is their entitlement as such the presence of business organisation in their communities especially multinational companies (MNC) is an opportunity to get all they want even if it is through extortion and blackmail. This sense of entitlement has led to communities demanding the possible and impossible from business. This has made it difficult for business especially multinational companies to satisfy most of its host communities through SR. It is not uncommon to hear host communities say ‘they have not done anything for us’. This assertion in most cases is made against the facts available. Another important challenge facing business in the implementation of SR is funds. . As pointed out by Peddada and Adam (2019), the financial capability of a firm determines its ability to carry out SR. The reverse is the case in Nigeria where financial capability is not taken into consideration. It only requires the presence of the firm. The wrong notion being carried along is that every firm is financially capable to engage in SR unless it closes shop. The demands of stakeholders on business are growing by the day while the resources to meet these demands are dwindling. It is no longer news that SR projects have joined the list of abandoned projects in Nigeria. This is because most organizations agree to carryout projects, they know are beyond their financial

capacity in order to have the license to operate (Potluri & Raime, 2018).

### **AIRTEL AND MTN SOCIAL RESPONSIBILITY INITIATIVES**

Airtel has a vision of becoming Nigeria's most loved brand, Airtel concept for Social Responsibility is not limited to conventional SR programmes, but the company aim at positioning itself as an integral part of society hence being socially responsible. Like every other company operating in Nigeria, Airtel in their operational dealings, maintain high ethical standards, and compliance with rules and regulation in its methods and practices of doing business. Across the nation, Airtel is in strong partnership with Government at all level in the provision of educational facilities for the less privilege children. This initiative is in partnership with the Ministry of education in building and maintaining schools across the country through provision of academic facilities including books, desks and infrastructures for Airtel host communities particularly in South-South states. Across the six geopolitical zones, Airtel has practicalized 'the adopt a school programme'. In south-south region for example, Airtel built and renovated class room blocks at Ediba Presbyterian Primary School in Abi Local Government Area of Cross River State. Also, in Amumara, a community in Mbaise, Imo State, they also constructed class room blocks just to mention few. Airtel has maintained a robust capacity building programme for hundreds of primary schools' teachers to ensure quality education delivery and has invested millions in multi-million-naira renovation projects and donations. Other Airtel SR initiative which the South South region has been benefiting include: Airtel Touching lives initiative, Employees Volunteer Scheme, ARS (Airtel Rising Stars) – Goals for Education, Airtel Christmas Charity Campaign, tagged 'Five Days OF love', Partnership with the Police Programme and Adopt-a-school Programme earlier mentioned. With particular reference to the Christmas Charity Campaign, Airtel visited various orphanage homes across the country including the South-South region, donated relieve materials to IDP camps with food stuffs, electronic gadgets, clothing etc. 'Airtel Touching Lives' is an inspiring

corporate social responsibility initiative that seeks to offer practical relief, succour, hope, opportunities and credible platforms to liberate and empower the underprivileged, disadvantaged and hard to reach persons in our society'.

Similarly, MTN Nigeria PLC, a Multinational Telecom provider has also been involved in SR drive. Recently, the company declared to have transformed a total of 510 communities in about 454 local government areas of the country which include numerous host communities in the South-South. In specific term, the MTN Foundation has facilitated the provision of School Learning materials in Ajakurama Community of Ovia South West Local Government Area in Edo State, a Health Centre in Okochiri community of Okrika Local Government Area of Rivers State. This Health Centre received health equipment and supplies worth millions of naira. In the same vein, Umuchieze community in Ahiazu Mbaise of Imo State recently benefited Solar Powered Borehole. Many communities in Akwa Ibom, Abia, Bayelsa, Cross River, Delta, Edo, Rivers etc, had witnessed the nomination of their citizens in various prestigious Awards all targeted at giving back to host communities as SR initiatives. For instance, MTN Foundation has continued to implement feasible sustainable social programmes that are beneficial to Nigerian society. Their SR agenda covers: Health, Education, Economic Empowerments – Small Scale Business Start-ups, Skill Acquisition training programmes, Adhoc projects, Mobile clinics, Youth empowerments, MTN disability programmes, and Entertainment projects which the South South region are beneficiaries.

### **2.2. THEORETICAL REVIEW**

A number of theories apply to the SR discourse such as the utilitarian theory, managerial theory, rationality theory, and the stakeholders' theory. The **anchor theory** of the study is the stakeholder theory, the theory was considered suitable because, it attempts to evaluate the various needs of all stakeholders in business which is the core theme in Social Responsibility study.

The first person to define stakeholder theory was organizational theorist Ian Mitroff in his book Stakeholders of the Organizational Mind, which came out in 1983. Shortly

thereafter, an article about stakeholder theory was released in 1983 in the California Management Review by philosopher and professor of business administration R. Edward Freeman. Freeman doesn't cite Mitroff as a source, rather he attributes stakeholder theory to discussions at the Stanford Research Institute. He went on to publish his own book, Strategic Management: A Stakeholder Approach, shortly after the article. In Freeman's book, he identifies and models stakeholder groups within a corporation, describing and recommending ways to manage their interests and determine who really counts from the perspective of the company. Increasing value for stakeholders will improve the business in all aspects. But stakeholder theory notes that there are several interested parties that must be included under the umbrella of stakeholder, such as the company's employees, customers, suppliers, financiers, communities, governmental bodies, political groups, trade associations, trade unions and even competitors, as they too can impact the company. The list of who the stakeholders are is not universally agreed upon, and even the definition of a stakeholder remains contested by some. Even the academic literature is in conflict. There are many books and articles on the subject and most cite Freeman as its father. Freeman says he stood on the shoulders of giants, such as building from research in strategic management, corporate planning, systems theory, organization theory and corporate social responsibility, the latter of which was first discussed by the Italian economist Giancarlo Pallavicini in an article published in 1968. More recently, in 1995, ethicist Thomas Donaldson has argued that stakeholder theory has descriptive, instrumental and normative aspects that are mutually supportive. Descriptive is used in research to identify and define characteristics and behaviors of companies and how they're managed. Instrumental uses empirical data to find connections between management of stakeholders and reaching corporate goals. Normative is a core theory on the function of the corporation and how it can morally carry out its processes, ensuring that management sticks to positive philosophical guidelines.

## **EMPIRICAL REVIEW**

This section of the study gives a review of the empirical work of some notable scheme in the area of discourse.

Pepple (2019) invested on corporate social responsibility in Nigeria: The challenges of implementation. His work was practically focused on the issues that negate the efficient implementation of SR in Nigeria. He argued that when stakeholders are carried along, organizations achieve sustainability. He posited that the challenges of SR include; entitlement mentality by host communities, lack of boundary for operation etc. he suggested that for active state intervention in the practice of SR through the establishment of efficient and open or transparent negotiation procedures and mechanism for disagreement resolution with a descent threshold for participations. Jeremiah (2018) conducted a study titled; corporate social responsibility contribution to environmental sustainability in developing countries. This study was conducted in Nigeria. The accountability perspective thought it was a conceptual investigation, he discovered that corporate social responsibility enhances response of corporation to environmental issues, he also argued that the damages associated with industrial pollution is reduced when firms adopt accountability perspective of corporate social responsibility. Again, Innocent Olakunle and Ogunjirin (2015) conducted their investigations on Social Responsibility and Entrepreneurship (SRE): antidotes to poverty insecurity and underdevelopment in Nigeria. The paper adopted the qualitative research method replying on the use of secondary data published by institutional bodies using econometrics, their findings indicated that a negative relationship between gross domestic product and poverty. They concluded that there is a significant relationship between positive relationship between gross domestic product and SR. Iyaiya (2014) investigated into "the challenges of Social Responsibility in the Niger Delta Region of Nigeria". He argued that in the Niger Delta Region there exist a variance between practice and implementation of the components of SR. He also accused the government of Nigeria to have failed in their enforcement responsibility. He suggested that government should pass legislations that will promote the interest of government in the region by corporations operating in the region.

Orlitzky, Siegel and Waldman (2011) also demonstrated their interest on the discourse. In their research titled; Strategic Social Responsibility and Environmental Sustainability, with theoretical approaches to strategic social responsibility conducted in United States of America, they concluded that, economic theories of strategic SR have the greatest potentials for advancing this field of inquiry. The qualitative perspective further affirmed the need for corporate social responsibility activities of corporations in recent time. Similarly, Pivato, Misani and Tencati (2008) investigated on the Impact of Corporate Social Responsibility on Consumers Trust; the case of Organic Food conducted in the United Kingdom (UK), using the survey design; they hypothesized that the first result of SR activities is the creation of trust among stakeholders. Their empirical analysis on consumer of organic products provided support for their hypothesis. Showing that SR influence consumers trust and that, that trust in turn, influence consumers action. They concluded that, the more a company is committed to developing abroad policy, and the more it is able to communicate this to stakeholders, the more customers reward its concrete actions through specific behaviours. In another hand, Moon (2007) in his work titled; the Contribution of Corporate Social Responsibility to Sustainable Development conducted in the United Kingdom (UK). He used the Hart's A natural –resource based view of the firm. The paper compared SR with sustainable development. He identified new drivers of SR to include; market drivers; social drivers; government drivers; and globalization as a driver of SR. He concluded that, the recent surge of interest in SR is explained by both the increasing socialization of markets and changing imperatives of national and global governance. He further opined that many businesses are less concerned about their reputations.

Morsing and Schultz (2006) also conducted a study on the discourse titled; Corporate Social Responsibility Communication: Stakeholder Information, Response and Involvement Strategies with an approach on stakeholders' expectation, conducted in Denmark, the review used a case study strategy where they considered SAS group annual report and sustainability report,

KMD strategy report 2004, Novozymes annual integrated report 2004, etc. They discovered that in line with the development of stakeholder's theories, they contended that stakeholder's involvement become increasingly more important for ensuring that a company stays in tune with concurrently stakeholder's expectations. They summarized that, managers need to improve on their corporate stakeholder's information strategy to keep their general public better informed about SR initiatives to achieve legitimacy, and good reputation. Furthermore, Valor (2005) also conducted a study on Social Responsibility and Corporate Citizenship towards Corporate Accountability, conducted in the United Kingdom (UK). Using a descriptive survey method, he discovered that companies will only incorporate social and environmental objectives in their agenda when economic agents show that they also seek the values by incorporating them into their economic decision. He concluded that stakeholders have incorporated ethical values in their economic decision only. Partially and selectively, this he further stressed that when stakeholders make it clear for companies to incorporate social and environmental ethics in their business operations, managers find it difficult and relevant to sacrifice profits in favor of common good.

In the same vein, Zairi and Peters (2002) conducted a study titled; the Important of Social Responsibility on Business Performance, Managerial Audit. Their focus was royal mail of England they applied simple percentage and frequency of support for community-based activities processes. They discovered that, it was evidently clear that social responsibility consciousness pays off in the long run and that there is a direct link with "bottom-line results". They concluded that social responsibility depends on some significant internal and external factors associated with the need to direct economic benefits and various efficiencies. Rondinelli (2000) conducted a study on the environmental citizenship in multinational corporation social responsibility and sustainable development in the United Kingdom (UK). They adopted a survey design where they conducted a study of 23 multinational companies and their involvement in corporate citizenship and social

responsibility activities /practices, they discovered that the sample of the multinational companies (MNC's) reviewed showed that they directly identify corporate environmental citizenship with stakeholder environmental interest groups, and communities to address important environmental problem.

**METHODOLOGY**

The researcher adopted an interpretivist research philosophy, with a blend of both quantitative and qualitative deductive reasoning strategy owing to the fact that the study is content specific and the researcher draws his conclusion from a combination of arguments presented by different scholars based on the discourse. The study also adopted a descriptive research design with a survey strategy, covering two (2) major selected companies in the communication sector (MTN and Airtel) in Nigeria.

In attempt to establish the causal relationship between corporate social responsibility and organizational sustainability, the Pearson

$$\begin{matrix} \text{MTN} & = & 1106 \\ \text{AIRTEL} & = & \frac{840}{1946} \end{matrix}$$

$$\begin{aligned} \text{Thus; } n &= \frac{N}{1+N(e)^2} \\ n &= \frac{1946}{1+1946(0.05)^2} \\ n &= \frac{1946}{1+1946(0.0025)} \end{aligned}$$

**TEST OF HYPOTHESES**

The three hypotheses formulated in the study were tested using the Pearson product moment correlation coefficient technique as thus:

**H<sub>01</sub>** – corporate social responsibility does not have significant relationship with organizational sustainability in South-Spouth. From the research instrument, statement number two (2), five (5) and statement number ten (10) used to test that stated hypothesis.

Product Moment Correlation Techniques was adopted by the researcher to test the hypotheses in the study. Primary data was gathered from three sets of respondent groups which include; customers of the two networks, community leaders and workers of the two selected network who are also part of the stakeholder's forum of the study. Secondary data was also sourced from; business review reports on the subject, online archives, textbooks gathered from domestic libraries, scholars' literature from online journals publications etc. furthermore, the study also adopted an interview method alongside a well structural closed-ended questionnaire instrument in gathering primary data for the study.

The sample population adopted from the two (2) networks from the identified stakeholders were; 1106 and 840 respectively. Thus, the sample size for the study is 332 respondents which were determined using Taro Yamani formula as shown below;

$$\begin{aligned} n &= \frac{1946}{1+4.865} \\ n &= \frac{1946}{5.865} = 331.79 \triangleq 332 \text{ respondents} \end{aligned}$$

The simple random sampling technique was used in selecting these respondents from the access population of the study.

Pearson Product Moment Correlation Coefficient formula =

$$r = \frac{n \sum xy - \sum x \sum y}{\sqrt{(\sum x^2 - (\sum x)^2) \sqrt{n \sum y^2 - (\sum y)^2}}}$$

The x and y variables are derived from the gathered respondent rate of respondents of the study where x variable represents the scale of strongly agreed (SA), and agreed (A), and y variables represents strongly disagreed (SD) and disagreed (D).

Thus, X = (SA, A)  
Y = (SD, D)

**TABLE 3 – CONTINGENCY TABLE FOR HYPOTHESIS ONE**

X	Y	XY	X <sup>2</sup>	Y <sup>2</sup>
68	46	3,128	4,624	2,116
102	112	11,424	10,404	12,544
162	24	3,888	324	576
96	46	4,416	26,244	2,116



120	46	5,520	14,400	2,116
92	70	6,440	8,464	4,900
<b>Σ = 640</b>	<b>344</b>	<b>34,816</b>	<b>64,460</b>	<b>24,368</b>

Where, n = 6, Σ x = 640, Σ y = 344, Σ xy = 34,816, Σ x<sup>2</sup> = 64,460, and Σ y<sup>2</sup> = 24,368.  
Therefore,

$$r = \frac{n \sum xy - \sum x \sum y}{\sqrt{(\sum x^2 - (\sum x)^2)(\sum y^2 - (\sum y)^2)}}$$

$$r = \frac{6(34,816) - (640)(344)}{\sqrt{6(64,460) - (640)^2} \sqrt{6(24,368) - (344)^2}}$$

$$r = \frac{6(34,816) - 220,160}{\sqrt{386,760 - 409,600} \sqrt{146,208 - 118,336}}$$

$$r = \frac{208,896 - 220,160}{\sqrt{(-22,840)} \sqrt{(27,872)}}$$

$$r = \frac{-11,264}{\sqrt{-636,596,480}}$$

$$r = \frac{-11,264}{-25,230.86}$$

$$r = \frac{-11,264}{-25230.86}$$

$$r = 0.446437$$

**r = 0.45**

Thus, there exist a weak positive correlation between corporate social responsibility (CSR) of firms and firm sustainability

**H<sub>02</sub>**- Social Responsibility (SR) activities of firms operating in South-South Nigeria does not have significant relationship with the development of the host communities .  
From the research instruments statement number three (3), seven (7), and eight (8) are

used to test the validity of the assumption of the hypothesis. The variables (x & y) remain as stated in the earlier scale. (SA, A, & SD, D respectively)

**TABLE 4: CONTINGENCY TABLE FOR HYPOTHESIS TWO**

X	Y	XY	X <sup>2</sup>	Y <sup>2</sup>
142	38	5396	20164	1444
82	66	5412	6724	4356
50	126	6300	2500	15876
28	124	3472	784	15376
102	58	5916	10404	3364
86	82	7052	7396	6724
<b>Σ 490</b>	<b>494</b>	<b>33548</b>	<b>47972</b>	<b>47140</b>

Where n = 6, Σ x = 490, Σ y = 494, Σ xy = 33548, Σ x<sup>2</sup> = 47,972, Σ y<sup>2</sup> = 47,140

Thus

$$r = \frac{n \sum xy - \sum x \sum y}{\sqrt{(\sum x^2 - (\sum x)^2)(\sum y^2 - (\sum y)^2)}}$$

$$r = \frac{6(33548) - (490)(494)}{\sqrt{6(47,972) - (490)^2} \sqrt{6(47,140) - (494)^2}}$$

$$r = \frac{201,288 - 242,060}{\sqrt{287,832 - 240,100} \sqrt{283,840 - 244,036}}$$

$$r = \frac{-40,772}{\sqrt{(47,732)} \sqrt{(38,804)}}$$

$$r = \frac{-40,772}{\sqrt{1,852,192,528}}$$

$$r = \frac{-40,772}{43,037.11}$$

$$r = -0.95$$

Therefore, there is a weak negative correlation between Social Responsibility activities of

firms operating in South-South Nigeria with the development of host communities. This



implies that companies operating in the area need to do more to enhance the socioeconomic development of communities in the area.

**H<sub>03</sub>** – Social Responsibility does not have significant relationship with Youths development in South-South Nigeria.

Statements from the research instrument which includes; statement number, one (1), number six (6), and nine (9) are used to test the validity of the hypothetical assumption. The statistical variables are as earlier stated.

**TABLE 5: CONTINGENCY TABLE FOR HYPOTHESIS THREE**

X	Y	XY	X <sup>2</sup>	Y <sup>2</sup>
78	182	14,196	6,084	33,124
42	46	1,932	1,764	3,116
42	128	5,376	1,764	16,384
68	90	6,120	4,624	8,100
60	134	5,040	3,600	17,956
48	86	4,128	2,304	7,396
84	58	4,872	7,056	3,364
120	100	12,000	14,400	10,000
<b>Σ = 542</b>	<b>824</b>	<b>56,664</b>	<b>41596</b>	<b>98440</b>

Where, n = 8, Σ x = 542, Σ y = 824, Σ xy = 56,664, Σ x<sup>2</sup> = 41,596, Σ y<sup>2</sup> = 98,440

$$\begin{aligned}
 \text{Hence, } r &= \frac{n \sum xy - \sum x \sum y}{\sqrt{n(\sum x^2) - (\sum x)^2} \sqrt{n \sum y^2 - (\sum y)^2}} \\
 &= \frac{8(56,664) - (542)(824)}{\sqrt{8(41,596) - (542)^2} \sqrt{8(98,440) - (824)^2}} \\
 &= \frac{453,312 - 446,608}{\sqrt{(333,768 - 293,764)} \sqrt{(787,520 - 678,976)}} \\
 &= \frac{6704}{\sqrt{(39,004)(108,544)}} \\
 &= \frac{6704}{\sqrt{4233,650,176}} \\
 &= \frac{6704}{65066.51} \\
 &= 0.10
 \end{aligned}$$

Therefore, there exist weak positive relations between Social Responsibility and Youths development in South-South Nigeria.

**DICUSSION OF THE FINDINGS**

The analysis of the results gathered from both those interviewed and those who filled and returned the questionnaire revealed thus:

That so many communities in the south-south region of Nigeria are yet to benefit or have a taste of Social Responsibility (SR) services by the identified companies existing in the area. Secondly, it was also deduced that the said network providers have not significantly involve in notable environmental / decomposition in host communities. According to respondents, this was attributed to their low physical involvement in ecological features / activities, thus causing their poor

acceptability in communities by all stakeholders.

Again, it was established in the course of the empirical study that the relationship between communities that have benefited in SR programmes network providers, have strengthen their ties with the companies which has been demonstrated in continuous patronages, referrals, etc. which has positively impacted on the service providers in terms of sales and profitability index.

The study also revealed that the SR practices of the companies in focus have sparely contributed in curbing youth restiveness in the region, this was attributed to the fact that so

many communities were yet to benefit from the company's benevolence. In general, notable companies in the area have not also contributed significantly enough to help in ameliorating youths' restiveness in the area, the growing unemployment in the region has wasted youth involvement in unscrupulous activities which has perpetually threaten social co-existence especially on foreign investors.

## SUMMARY AND CONCLUSION

It is concluded that SR is about business, government and civil society collaboration. The bottom line is the achievement of win-win situation among the three entities. From the social point of view, SR should benefit community because the latter has a very complex structure as it consists of individuals with various levels of control of resources physically and intangibly. Therefore, SR necessitates a multidisciplinary approach in its perspective and practice. Experience has made one thing certain that sustainable SR solutions at community, provincial and national levels are based on partnerships between government, civil society and business. It is also concluded that skills needed by SR managers do vary due to the diverse disciplines involved and also the complexity of the roles and responsibilities of a SR initiative.

## RECOMMENDATIONS

The study recommends the following:

1. The government and its agents at all level should be more pragmatic in their approach to SR delivery in host communities. In Nigeria, mechanism should be put in place to check corrupt practices and ensure proper accountability and monitoring of personnel involve as community liaison officers between government, host communities and multinational companies.
2. Companies operating in communities especially in the Niger Delta region should be more committed in their social service delivery and community development services that will continue to impact on the local citizens as well as improve the economic development of the region.
3. Host community should ensure that they continue to provide enabling environment for Multinational Companies. This will encourage investors and ensure the security of established corporations. The leadership of host communities must address the issue of sharp practices in representing their communities in SR negotiations with operating companies in their areas. They should also continue in community youth mobilization and orientations against social vices such as militancy, kidnapping, etc.

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# **Organizational Justice and Turnover Intention: The Mediating Effect of Organizational Citizenship Behaviour**

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*This study examined the mediating role of organizational citizenship behaviour in the relationship between organizational justice and turnover intention among staff of listed Deposit Money Banks in Nigeria. Organizational justice is explained as perceived fairness in terms of distributive, procedural and interactional justice at the workplace. A sample of 437 bank staff were selected for survey and data was statistically tested by applying structural equation modelling. Results revealed that all three justice dimensions – procedural, interpersonal, and distributive justice – have significant relationship with turnover intention, The study also revealed a negative relationship between organizational citizenship behaviour and staff turnover intention. It recommended that bank management imbibe the practice of organizational justice and encourage organisational citizenship behaviour among staff. This will not only boost staff performance and bank performance but also lower their intent to leave the organisation. The findings provide a useful insight for academics and managers for future policy making.*

**Keywords:** Organizational Justice, Organisational Citizenship Behaviour, Turnover Intention.

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## 1.0 INTRODUCTION

Turnover Intentions are a treacherous occurrence that has negative consequences for both workers and organizations, such as low motivation, absenteeism, frustration, and reduced work performance. Today's employees expect fair treatment in the work place from organizations in consideration of the time and effort they invest. Employees respond better in terms of attitudes, loyalty and output based on their perception about prevalence of organizational justice in matters of process, regulations, communication and allocation systems in an organization. Employees' having greater satisfaction from their work show better degree of output, determination, dedication and tend to stay for a longer time with the organization. Research has found that justice perceptions are positively correlated with organizational commitment, job performance, leader-member relations, and helpful organizational citizenship behaviours (OCB). They are negatively correlated with work stress, counterproductive work behaviours, and turnover intentions (Rupp, Shao, Jones & Liao, 2014).

When employees perceive a fair working environment, they are likely to respond in accordance with social exchange and perform more organizational citizenship behaviours (OCBs). Organizational Citizenship Behaviour (OCB) promotes the effective functioning of the organization through discretionary individual behaviours of employees and contributes to the organization in many ways (Habeeb, 2019).

## 2.0 LITERATURE REVIEW

### 2.1 *Definition of Organizational justice*

Justice is the subjective perception of workers in association with fairness in allocating outcomes, processes leading to

decision outcomes and interpersonal treatment in work settings. Organizational justice focuses on descriptions and explanations of fairness in workplace (Colquitt, 2001; Greenberg, 2001). Coetzee (2005) asserts that "organizational justice refers to the decisions organizations make, the procedures in making decisions and interpersonal treatment employees receive". Fairness is of principal interest to chief executive officers and managers in corporate organizations with a view to providing equal opportunities, promoting unbiased human resource practice and decisions in recruitments, performance appraisal and reward systems ((Baldwin, 2006; Bowen et al, 1999). Organizational justice revolves around three major facets of outcomes, procedures and interpersonal interactions in the workplace. These three facets form the typology of organizational justice such as distributive, procedural and interactional fairness and attracted the attention of research scholars over time (Leventhal, 1976; Thibault & Walker, 1975; Bies & Moag, 1986).

### 2.1.1 Types of organizational Justice

#### 2.1.1.1 Distributive justice

This form of organizational justice is drawn from the theory of equity advocated by Adams(1965) and it is the judgment of employees in exchange relationship to be fair or unfair dependent upon the ratio of inputs and outcomes received from employer organizations, making a cognitive comparison with referents in same entity or similar organization elsewhere. The subjective judgment of employees could results in equity or inequity that lead to tension. Greenberg (2011) asserts that distributive justice centers on the belief of people who receive fair work outcomes in form of pay, recognition and other rewards. It is the perceptions of employees over equitable

gains received from organizational resources, rewards and penalties (FitzGerald, 2002; Nirmala & Akhilesh, 2006; Blakely, Andrew & Moorman, 2005).

#### **2.1.1.2 Procedural justice**

Organizations specify procedures that guide managers in making decisions for the distribution of resources, promotions, transfers and performance appraisals among employees. Procedural justice therefore is a moral rule that underscores the application of fair processes to determine the distribution of outcomes to members in organizations with no modicum of bias (George & Jones, 2006). Colquitt and Chertkoff, (2000) posit that procedural justice connotes fair and equitable practices in matters of payments, decisions and knowledge sharing and fair perception among organization members (Konovsky, 2000). Procedural justice consists of voice in decision making, consistency in applying rules, accuracy in utilizing information that guard against duplicity (Greenberg, 2011; Baldwin, 2006).

#### **2.1.1.3 Interactional justice**

Bies and Moag (1986) opine that interactional justice explains the concerns of organizational members over the equitable interpersonal treatment received in the course of implementing the procedures explicitly specified in organizations. Interactional justice comprises interpersonal interactions with truthfulness, respect and justification that emanates from procedural justice (Baldwin, 2006; Gefen et al, 2008; Karriker et al, 2009). Interactional justice presupposes that all health workers should be treated equally in their interpersonal relationship irrespective of their profession and rank in university teaching hospitals. Interactional justice has two dimensions of interpersonal and informational justice. Interpersonal justice

is concerned with the manner in which people are treated with respect, dignity and politeness by decision making authorities and parties saddled with responsibility of enacting organizational procedures( Colquitt et el, 2001) while informational justice means workers' perceptions of fairness concerning information used as basis for decision making (Greenberg,2001).

## **2.2 Organizational Citizenship Behaviour (OCB)**

Organizational Citizenship Behaviour (OCB) is a contribution that exceeds the role demands of an individual in the workplace. Employees' perception of fairness in a working environment may influence OCB by prompting employees to define their relationship with the organisation as one of social exchange, since social exchange exists outside strict contracts and the exchange tends towards ambiguity, allowing for discretionary, pro-social acts by the employee (Van Vuuren, Dhurup & Joubert, 2016). OCB involves behaviours like helping others, volunteering for extra duties, while adhering to the rules and procedures in the workplace (Onn, Yunus, Yusof, 2017; Selamat, Nordin, & Fook, 2018). These behaviours describe "employee added value," which is a form of prosocial behaviour that is described as displaying positive social behaviour, and offering constructive and meaningful help (Aldag & Reschke, 1997). Organ (1997) defined OCB as individuals' free behaviour that is not directly or explicitly associated with a reward system that could increase effective functioning in the organization. According to Organ (1988), the dimensions of OCB are; A) Altruism: Employees' behaviour to help other employees who have a difficult situation, both in tasks within the organization as well as personal problems. B)

Conscientiousness: This behaviour is exhibited by an attempt to exceed company expectations. Voluntary behaviour is not an obligation or duty for employees. C) Sportsmanship: Tolerant behaviour toward less ideal circumstances in the organization without raising objections. D) Courtesy: Maintaining good relationships with co-employees to avoid interpersonal problems, people with this dimension respect and care for others. E) Civic Virtue: Behaviours that indicate responsibility for organizational life, such as following changes in the organization, taking the initiative to recommend how to improve organizational operations or procedures, and protecting organization resources.

### **2.3 Turnover intention**

An employee's desire or wish to leave his or her current organization is referred to as turnover intention (Lee 2002; Udechukwu et al, 2007). Turnover intention is the conscious and deliberate wilfulness of an individual towards voluntary permanent withdrawal from employer organisation. There are reasons could arise for employees to nurse the feeling to leave. Employees' wish and disposition to leave an employer organization arise from unfair and inequitable implementation of personnel policies and procedures for assessment of promotion and unfriendly treatment from co-workers. (Rastgar & Pouresrahimi, 2013 and Davoudi & Fartash, 2013) Employees who have a high level of turnover intention are only physically present in an organization while their minds are elsewhere (Sowmya & Panchanatham, 2012). An employee, whose mind is not in the organisation where he/she works, may not give the best to employer and

this may be detrimental to the productivity and efficiency of such an organisation. Turnover intention is an attitudinal variable that has persisted in empirical research due to its practical implications for voluntary turnover behaviour (Price, 2001; Brigham, Castro, & Shepherd, 2007). The fairer the justice in an organization, the lower intention to leave among employees, and so more effectiveness, efficiency and better performance of employees (Aghaei, Moshiri, & Shahrbanian, 2012).

### **3.0 METHODOLOGY**

The research design adopted for this study is descriptive survey research design. Data used in this study was both from secondary and primary sources; the primary data collection instrument for the study was the structured questionnaire. The population for the study comprised of employees of listed Deposit Money Banks (DMBs) in Nigeria. There were 13 listed DMBs in Nigeria as at December 2020, with a population size of 62,253. The sample size was determined using Taro Yamane (1967) formula, a confidence interval of 95% was assumed leaving a proportion of 5% for error. A buffer margin of 10% calculated and added to make provision for unreturned or incorrectly completed copies of the questionnaire or to cover for nonresponse or bias. As a result the actual number of questionnaires administered to respondents was 437. A total of 420 were returned out of which 401, accounting for 92% response rate was valid for data analysis and analyzed using SPSS AMOS version 21 and Structural Equation Modelling. Random sampling technique was used in this research.

#### 4.0 Data Presentation and Analysis

The demographic characteristics of the respondents to the study questionnaire are presented in table 1.1. These characteristics' include duration on the job, gender, age, educational qualification and marital status.

Table 1. 1 Analysis of Biodata

	Item	Frequency		Item	Frequency
<b>Duration</b>	< 1 year	20 (5.0%)	<b>Educational Qualification</b>	Doctorate Degree	9 (2.2%)
	1-5 years	113 (28.2%)		Master's Degree	108 (26.9 %)
	6-10 year	123 (30.7%)		First Degree/HND	248 (61.8%)
	>11 years	145 (36.2%)		OND/NCE/Diploma	36 (9.0%)
<b>Gender</b>	Male	204 (50.9%)	<b>Marital Status</b>	Married	205 (51.1%)
	Female	197 (49.1%)		Single	154 (38.4%)
<b>Age</b>	21-30 years	110 (27.4%)		Divorced/Separated	27 (6.7%)
	31-40 years	197 (49.1%)		Widow/Widower	15 (3.7%)
	41-50 years	86 (21.4%)			
	51 and above	8 (2.0%)			

Source: SPSS Output, 2021

#### 4.1 Assumptions of Normality

The descriptive statistics of the independent, mediating and dependent variables are presented in Table 1.2. The key descriptive information presented in the table are the measures of central tendency (mean), measures of dispersion (minimum, maximum and standard deviation) and the measures of distribution of data (Skewness and kurtosis including their respective standard errors).

Table 1. 2 Test of Assumptions of Normality

	Minimum	Maximum	Mean	Std. Deviation	Skewness	Kurtosis				
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error	Tol	VIF
Distributive Justice	.48	2.40	2.0814	.46282	-1.636	.122	1.636	.243	.346	2.891
Procedural Justice	.90	4.29	3.5479	.82573	-1.132	.122	.568	.243	.379	2.637
Interactional Justice	1.13	3.88	3.4927	.52913	-1.717	.122	2.860	.243	.487	2.055
Org. Cit. Beh.	1.50	4.01	3.7804	.37879	-2.389	.122	6.554	.243	.612	1.635
Turnover Intention	-3.63	-.05	-2.7179	.93325	1.064	.122	.274	.243		
Valid N (listwise)										

Source: SPSS Output

To ensure that there is no multicollinearity in the data, the variance inflation factors (VIF) scores should be well below 10, and tolerance scores to be above 0.2. As shown in Table

4.3, the VIF is below 10 and the tolerance is above 0.2 for all the independent variable proxies.

## 4.2 Results of Test of Hypothesis

*Organizational citizenship behaviour does not significantly mediate the relationship between organizational justice and turnover intention of employees of listed Deposit Money Banks in Nigeria.*

This hypothesis sought to examine whether the relationship between organisational justice and turnover intention is mediated by organisational citizenship behaviour.

Independent Variable	Dependent variable	Est	S.E.	C.R.	P	Remark
Distributive Justice	→ OCB	.344	.032	7.972	***	Supported
Procedural Justice	→ OCB	.058	.018	1.335	.182	Not Supported
Interactional Justice	→ OCB	.363	.028	8.412	***	Supported
Distributive Justice	→ Turnover Intention	-.433	.076	-9.849	***	Supported
Procedural Justice	→ Turnover Intention	-.251	.040	-6.117	***	Supported
Interactional Justice	→ Turnover Intention	-.141	.067	-3.186	.01	Supported
OCB	→ Turnover Intention	-.113	.110	-2.399	.016	Supported

Note: n=401; SE = Standard Error; C.R = Critical Ratio; NS = Not significant

Table 1.3 Test of Hypothesis - Organisational Justice, Turnover Intention and Mediating Role of Organisational Citizenship Behaviour

As shown in Table 1.3, the results indicate that relationship between Distributive justice and OCB is significant ( $\beta=.34$ ,  $t=7.972$ ,  $p<.05$ ,  $r = 0.25$ ). This result shows that when Distributive Justice goes up by 1 standard deviation, OCB goes up by 0.344 standard deviations. The means that The probability of getting a critical ratio as large as 7.972 in absolute value is less than 0.001. In other words, the regression weight for Distributive Justice in the prediction of OCB is significantly different from zero at the 0.001 level (two-tailed).

Table 1.3 also reveals that the relationship between procedural justice and OCB is not significant ( $\beta=.058$ ,  $t=1.335$ ,  $p>.05$ ,  $r = 0.25$ ) while the relationship between interactional justice and OCB is significant ( $\beta=.363$ ,  $t=8.412$ ,  $p<.05$ ,  $r = 0.25$ ). When Interactional Justice goes up by 1 standard deviation, OCB goes up by 0.363 standard deviations. The result indicates that The probability of getting a critical ratio as large as 8.412 in absolute value



is less than 0.001. In other words, the regression weight for Interactional Justice in the prediction of OCB is significantly different from zero at the 0.001 level (two-tailed).

It is estimated that the predictors of turnover intention explain 33.2 percent of its variance. In other words, the error variance of turnover intention is approximately 66.8 percent of the variance of turnover intention itself ( $\beta = -.113$ ,  $t = -2.399$ ,  $p < .05$ ,  $r = 0.33$ ). The results show that the probability of getting a critical ratio as large as 2.399 in absolute value is .016. In other words, the regression weight for OCB in the prediction of turnover intention is significantly different from zero at the 0.05 level (two-tailed). Thus, When OCB goes up by 1, turnover intention goes down by 0.113.

As shown in Table 1.4, the standardized total (direct and indirect) effect of distributive justice on turnover intention is -.472. That is, due to both direct (unmediated) and indirect (mediated) effects of distributive justice on turnover intention, when distributive justice goes up by 1, turnover intention goes down by 0.472. The standardized direct (unmediated) effect of interactional justice on turnover intention is -.141. that is, due to the direct (unmediated) effect of interactional justice on turnover intention, when interactional justice goes up by 1, turnover intention goes down by 0.141. this is in addition to any indirect (mediated) effect that interactional justice may have on turnover\_intention.

The results as shown in Table 1.4 reveals that the standardized direct (unmediated) effect of ocb on turnover intention is -.113. that is, due to the direct (unmediated) effect of ocb on turnover intention, when ocb goes up by 1 standard deviation, turnover intention goes down by 0.113 standard deviations. this is in addition to any indirect (mediated) effect that ocb may have on turnover intention.

*Table 1. 4 Standardized Total Effects*

	Distributive Justice	Interactional Justice	Procedural Justice	OCB
OCB	.344	.363	.058	.000
Turnover Intention	-.472	-.182	-.257	-.113

Source: AMOS v 21 Output

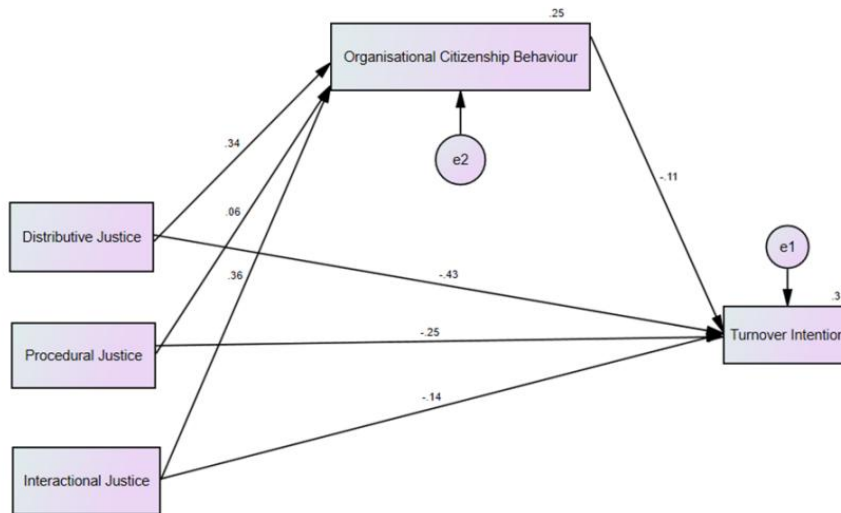


Figure 1. 1 Path Diagram showing the mediating role of OCB on Organizational justice & Turnover Intention

Source: AMOS v 21 Output

Table 4.17

Table 1.5 Standardized Indirect (Mediated) Effects

	Distributive Justice	Interactional Justice	Procedural Justice	OCB
OCB	.000	.000	.000	.000
Turnover Intention	-.039	-.041	-.007	.000

Source: AMOS v 21 Output

As shown in Table 1.5, the standardized indirect (mediated) effect of distributive justice on turnover intention is -.039. that is, due to the indirect (mediated) effect of distributive justice on turnover intention, when distributive justice goes up by 1, turnover intention goes down by 0.039. this is in addition to any direct (unmediated) effect that distributive justice may have on turnover intention.

The results also show that the standardized indirect (mediated) effect of interactional justice on turnover intention is -.041. that is, due to the indirect (mediated) effect of interactional justice on turnover intention, when interactional justice goes up by 1, turnover intention goes down by 0.041. this is in addition to any direct (unmediated) effect that

interactional justice may have on turnover intention.

The standardized indirect (mediated) effect of procedural justice on turnover intention is -.007. that is, due to the indirect (mediated) effect of procedural justice on turnover intention, when procedural justice goes up by 1, turnover intention goes down by 0.007. this is in addition to any direct (unmediated) effect that procedural justice may have on turnover intention. Overall, the standardized indirect (mediated) effect of OCB on turnover intention is .000. that is, due to the indirect (mediated) effect of OCB on turnover intention, when OCB goes up by 1, turnover intention goes up by 0. this is in addition to any direct

(unmediated) effect that OCB may have on turnover intention.

Based on the result, the hypothesis which states organizational citizenship behaviour does not have a significantly mediate the relationship between organizational justice and turnover intention of Deposit Money Banks in Nigeria is rejected and the alternative hypothesis is accepted. The results show that organisational citizenship behaviour mediates the relationship between organisational justice and turnover intentions.

#### **4.3 Discussion of Findings**

The aim of this objective was achieved by the test of hypothesis which examined the if organizational citizenship behaviour influences the relationship between organisational justice and turnover intention. It is estimated that the predictors of turnover intention explain 33.2 percent of its variance. In other words, the error variance of turnover intention is approximately 66.8 percent of the variance of turnover intention itself ( $\beta = -.113$ ,  $t = 2.399$ ,  $p < .05$ ,  $r = 0.33$ ). The results show that the probability of getting a critical ratio as large as 2.399 in absolute value is .016. In other words, the regression weight for OCB in the prediction of turnover intention is significantly different from zero at the 0.05 level (two-tailed). Thus, When OCB goes up by 1, turnover intention goes down by 0.113. Based on the result, the hypothesis which states organizational citizenship behaviour does not have a significant effect on the relationship between organizational justice and turnover intention of Deposit Money Banks in Nigeria is rejected and the alternative hypothesis is accepted. The results show that organisational citizenship behaviour mediates the

relationship between organisational justice and turnover intentions.

The findings of the current study are consistent with work of Rastgar & Pourebrahimi (2013) who found that organizational justice has a significant negative influence on turnover. The finding of this study also concur with the study conducted by Chukwu (2019) that organizational justice has a significant influence on employee turnover intention. And employees will turnover when all issues concerning organizational justice is not given proper attention and resolved.

The results of the current research imply that managers of organizations should be aware of the concept and application of organizational justice and consider distributive, procedural, and interactional justice in their organizations which would lead to a decrease in the level of turnover intentions among employees. This then means that employees will not intend to leave when justice is embedded in the organization.

#### **5.0 Recommendation and Conclusion**

The study examined the mediating role of organizational citizenship behaviour in the relationship between organizational justice and turnover intention of employees of Listed Deposit Money Banks (DMBs) in Nigeria. Based on the findings of this study it was concluded that organizational citizenship behaviour (OCB) effectively mediates the relationship between organizational justice (distributive, procedural and interactional justice) and turnover intention. This means that employees who perceive the work place environment to be fair exhibit organizational citizenship behaviours which in turn reduces their intention to turnover. Organizations today are constantly doing all they can to retain the best talent and outdo their competitors by

doing the same things differently. Present day employees are more aware of their rights and value the employer's sense of justice, further more they expect them to be fair or just at all times. Therefore, fairness has become an essential feature for organizations to consider as it directly affects workplace attitudes and citizenship behaviour.

Based on the research findings, it is recommended that banks should espouse justice as a core value the organization's management philosophy and enacted through a set of internally consistent management practices. This would nurture a positive employee perception of fairness in the organization and promote organizational citizenship behaviour in the employees leading to a decline in turnover intention and a better individual and organizational performance.

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- i) This paper contributes to the development of the local literature found in the field of organizational justice, however it has its limitation, which is lies with the scope and methodology of the study, because data was collected from a single industry, the banking industry, so that it does not claim to cover the characteristics of other sectors and companies. Therefore, this study cannot be generalized to other industry settings. This at the same time addresses the way for future research, that is; future research in this field should be conducted in the other sectors of the economy to confirm the findings of this study.

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# Interrogating the Effect of Third Tier Credit on the Standard of Living of Women Traders in Akure Metropolis, Ondo State, Nigeria

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## ABSTRACT

*This study examined the effect of microfinance credit accessibility on standard of living of women traders in Akure Metropolis, Ondo State. Survey design, primary data and multistage sampling technique were used for the study. The women traders (16,570) on the list of Lapo microfinance and Nigeria Police Force, Akure Metropolis were selected with purposive sampling. Taro Yamane's formula was used to select sample size (391). Data were gathered with questionnaire and analyzed with Pearson Product-Moment Correlation Coefficient which was also used to test hypothesis at .05 significance level alongside with  $\chi^2$ . Results disclosed a positive relationship between the independent and dependent variables, and microfinance credit accessibility had significant effect ( $p=0.002$ ) on women traders' standard of living in Akure Metropolis. The paper recommends that, for standard of living of women traders in Nigeria as a whole and Ondo State specifically, to improve tremendously, they need to have adequate access to credit.*

**Keywords:** *Microfinance Credit; Accessibility; Standard of living; Micro Scale; Women traders*

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## **1. Introduction**

All over the world, Micro, Small and Medium Scale Enterprises (MSMEs) including small scale women traders, have been recognized for their role in boosting the growth of national economy. They serve as the propeller and main impetus for economic advancement and poverty alleviation (Real Sector Division Research Department, Central Bank of Nigeria (CBN), 2014), and major employer of labour (Abiola, Iyoha & Joseph, 2011). Out of the total number of enterprises in developed countries, MSMEs constitute above 90%, in Japan they constitute 80% of the total industrial labour force, 50% in Germany, 46% in the United States of America (Nwachukwu, 2012), over 90% in Nigeria, yet this sector contributes less than 10% to the Gross Domestic Product (GDP) of Nigeria (Gbandi & Amisah, 2014). However, several authors including Taiwo, Onasanya, Agwu & Benson (2016) identified lack of adequate funds to run MSMEs businesses in Nigeria, as the major problem that has resulted in the collapse of MSMEs businesses. The sector is unable to obtain funds from banks due to lack of collateral (Owenvbiugie & Igbinedion, 2015).

Understanding the significant contribution of MSMEs to national development, and the need to assist them to have adequate funds to run their businesses and survive, several past governments in Nigeria established some financial institutions and government agencies including: Bank of Industry (2001), Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) (2003), among other. One of the recent establishment by the Nigerian government to make credit available to MSMEs was the microfinance bank, which was created on the 15<sup>th</sup> of December, 2005 (Owenvbiugie & Igbinedion, 2015). Yet, Obadeyi and Okhiria (2015), stated that, MSMEs in Nigeria are still performing below expectation, while Ubesie, Onuaguluchi and Mbah (2017), maintained that MSMEs still have the problem of lack of adequate funds to carry out their activities.

Numerous authors (Olowe, Moradeyo & Babalola, 2013; Ashamu, 2014; Owenvbiugie and Igbinedion, 2015, among others) have carried out researches on the microfinance banks and its influence on the advancement of

MSMEs in Nigeria, but none of these researches gave detailed evaluation on the impact of Microfinance banks on women traders' standard of living in Akure Metropolis, Ondo State, Nigeria. Hence the need for this study. This study was carried out to assess the effect of microfinance credit accessibility on standard of living of women traders in Akure Metropolis, Ondo State, Nigeria.

Lapo Micro Finance Bank was created in 1987. The bank has five branches in Akure Metropolis - Oba Adesida road's branch, Isikan, Unity road, Oke-Aro and Oshinle branches. All the branches have five (5) key officers- Client Support Officer, Internal Control Officer, Branch Manager, Cashier, resident auditor and Head of Operations respectively. All the branches also have support staff including: cleaners and drivers.

The Nigeria Police Force Micro Finance Bank Plc, located within Akure Metropolis was established 1993. The branch in Alagbaka, Akure Metropolis was established in the year 2007 as a community bank, but later renamed as the Nigeria Police Force micro finance bank Plc in the year 2010. The bank comprises seventeen workers, which include: eight 8 key staff (Head Marketing, two cashiers, Head Operation, Client Support Officer Head Systems, Head Credit, Head Admin and Finance, and one operations manager), eight support staff which include: two cleaners, one Industrial Training staff, one driver, two cashiers and two gatemen. eligible for loan. In order to be eligible for loan, the debtor must present two guarantors, who must be police officers to stand for them, so that if the debtor defaults in the repayment of the loan he or she has taken, the bank will take part of the guarantor's salaries as payment for the loan, over a period of time. Also, it is compulsory for traders to save money with the bank, say for months, before credit can be given to them.

This study was carried out to assess the effect of microfinance credit accessibility on standard of living of women traders in Akure Metropolis, Ondo State, Nigeria. The theory underpinning this study is the women empowerment theory. This theory explains that 74% out of 19.3 million poorest people in the world are women, and these women lack access to funds to invest

in their businesses (Cheston & Kuhn, 2002). Therefore, these women require assistance in form of soft loan from financial houses like the microfinance banks to assist their businesses to grow. This theory is associated with this study since the MSMEs women traders within the study area lack adequate funds to run their businesses and therefore depend largely on micro finance banks' for credit to carry on their businesses.

## **2. Literature Review**

### **2.1 Concept of Microfinance, Microfinance bank, Credit, Trader, Standard of Living**

Owenvbiugie and Igbinedion (2015) defined microfinance as the delivery of financial services to the economic low-income group and energetic poor, including MSMEs. Westover (2008) viewed microfinance as the provision of financial services to low-income and poor clients who are usually left out from the traditional financial systems because these types of clients are seen as "unbankable" due to their verifiable credit history, unsteady employment and lack of collateral to obtain loan from the regular banks. Microfinance enables the low-income and poor clients to have continuous access to range of financial services including savings, insurance, credit, and fund transfers (Yunus, 1997). The common characteristics of microfinance are, group guarantee, compulsory and voluntary savings, small size of loan not based on collateral, informal appraisal of borrowers and investments and access to repeat and bigger loans based on repayment performances (Bernard, Kevin & Khin, 2016). Microfinance banks are advancement tools used to make very small loans available to enterprises (Robinson, 2003 & Olowe *et al.*, 2013)

Credit is an arrangement made with a shop/store to pay later in the future, for services and goods bought or borrowed from a bank or a loan (Hornby, 2006). It is a vital part of financial intermediation that makes finance available to the economic units that can make industrious use of them (Imoughele & Ismaila, 2013). Credit could be in form of overdraft, cash credit, loans and packing credit (Kurgat & Owembi, 2017). A trader has been defined by Hornby (2006) as somebody who engages in selling and buying things as his or her job. While Investopedia defined standard of living

as the material goods, wealth level, comfort as well as requirements accessible to a particular geographic area or socioeconomic class. It also opined that, living standard comprises basic material factors such as life expectancy, Gross Domestic Product (GDP), income and economic opportunity. It is typically measured with GDP per capita. However, alternative standard of living data set used is the Human Development Index (HDI), that uses several factors from life expectancy and education, homicide rates and GNI. Okafor (2015) asserted that, standard of Living is closely associated to quality of life, low living standard is associated with poverty, poverty is related to lack of necessary wherewithal, while absence of quality standard of living results to a mirage of social ills. He further opined that, living standard can be used to compare geographic areas (one country and another), and different periods of a country. In addition, Mohammed and Mohammed (2007) stated that income and savings are some of the vital elements of standard of living of the poor. Likewise, Yunus, (1999) agreed that standard of living is one of the indicators of poverty.

### **2.2 Importance of Microfinance Banks**

Microfinance banks stimulate the growth of micro enterprises by developing new markets and promoting a culture of entrepreneurship (Danjuma, 2017). They give loans to entrepreneurship businesses to enhance their expansion, working capital, and transform the economic and industrial development of developed and developing countries like Nigeria (Udih, 2017). Financial and non-financial services provided by microfinance banks and institutions have significantly aided small businesses in Nigeria and enhanced the sharing of innovative ideas and distribution of business skills. In consequence, micro-financing meaningfully promotes businesses by reducing the resource gap for small businesses. Also, micro-financing has an enormous potential for increasing the performance of small businesses via frequent contributions in micro-financing and provision of non-financial services (Vishnu & Ramu, 2018). Furthermore, microfinance acknowledged the poor and micro entrepreneurs who were left out or deprived access to financial services due to their

incapability to make available tangible assets as collateral for credit facilities (Jamil, 2008).

Microfinance has been contributing meaningfully to the provision of financing services; acting as financial intermediary; acting as doorstep bankers; giving loan to low-income organizations; reaching targeted group with funds and alleviate poverty in the Nigerian economy (Udih, 2017). Furthermore, Robinson (2003) posited that if institutional commercial micro finances are made adequately available, they could aid in improving economic activities and quality of life of hundreds of millions of people in the developing world. Microfinance makes sufficient capital available to SMEs, especially those who are poor and incapable of accessing funds from commercial banks, those in the rural areas, and enable them carry out their operations efficiently and effectively, provide basic financial services like credit, savings, money transfer, insurance, to them, to develop the sector, and contribute to the economic development of the nation for which Microfinance banks were initiated. Thus, Microfinance arose as a decent substitute for informal credit and a powerful and effective tool for poverty reduction among people that are economically energetic, but financially limited and susceptible in several countries (Olowe *et al.*, 2013).

### **2.3 Challenges Confronting Micro, Small and Medium Scale Enterprises (MSMEs) that Use Microfinance Credit Facilities to Grow their Businesses**

SMEs who use microfinances are confronted by shorter loan repayment period, and strict terms of repayment and higher interest rate in addition to small loan to grow their businesses in the Cape Coast metropolis of the Republic of Ghana (Prah, 2016). Also, Ashe, Treanor, and Mahmood (2011) itemized lack of training related to business which was reported in a study conducted in Pakistan for women starting new businesses as one of the challenges facing small scale businesses that access microfinance. They further stated that, women lack training on how to make profit from microfinance institution, and this make them fail to manage and control the loan, and be unable to pay back as agreed upon.

Furthermore, the reluctance of microfinance institutions to make available loan for starting up new businesses is one of the challenges being faced by small scale businesses (Blanchflower, Levine, and Zimmerman, 2003). In the same vein, Olu (2009) affirmed that, microfinance institutions give some requirements to small businesses to meet in order to be legible to obtain micro credit. These requirements are physical collateral and some amount of money as savings to secure the loan which may be difficult for some owners of small businesses to meet. In agreement with Olu (2009), Woldie, Mwita and Saidimu (2012) stated that, inadequate collateral and unreasonable interest rate charges make it difficult for small business to access financial services from micro finance banks.

The MFBs are supposed to serve its members as a source of social and financial support, but their financial capability is constrained. They lack the capability to make available, credit that will boost the growth and expansion ability of small business operators or transform small business into small scale industry by supporting investment in technology (Abiola, 2012). Consequently, users of the banks remain at the level of survival in business development stage, incapable of moving to the next level of business development.

### **2.4 Effect of microfinance credit on performance of SMEs**

Weerasinghe and Dedunu (2017) carried out a study on the Impact of micro finance on living standard with reference to microfinance holders in Kurunegala District. They touched three main fillers of microfinance, including: micro savings, micro credit, and advisory services. All the micro loan holders in the District were used as the study population. However, 30% (170) of the microfinance holders were selected as sample with the use of simple random sampling method and copies of questionnaire were distributed to them. However, 152 questionnaires were retrieved. Data were analyzed with descriptive and inferential (correlation analysis) statistics. The study revealed that there was a significant impact of micro savings, micro loan and advisory support on the standard of living of

the poor in the area. The study recommended that, micro finance institutions should make available more micro loan options with advisory support about starting business, management of loan, preparing business plan, and identifying customers' requirement through continuous training program so that the living standard and entrepreneurial skills of the poor people will be enhanced.

Moreover, Olumuyiwa and Oyebo (2012) carried out a study on the impact of microfinance bank on the standard of living of hairdressers in Oshodi-Isolo Local Government of Lagos State. The objectives of the study were to assess the impact of microfinance bank in Oshodi-Isolo on the business of hairdressers in the local Government, and evaluate the impact of these microfinance on the asset acquisition and savings of the hairdressers. A total number of 120 hairdressers who registered with Oshodi-Isolo LGA were used as the sample size. Primary data was used for the study, copies of questionnaire were distributed, while Spearman's rank correlation coefficient analysis was used to analyze the collected data. Hypotheses were tested at 5% significance level. The result revealed that there is a significant relationship between microfinance bank efforts and the standard of living of hairdressers in Oshodi-Isolo local Government area of Lagos state. This means that, microfinance bank, has reduced poverty a little among the hairdressers in Oshodi Isolo LGA. The study recommended that Government at Local, State and Federal levels should ensure that microfinance bank loans are obtained easily and the period for repayment should be rescheduled to more reasonable time, rather than weekly payment period that is frequently found among the microfinance banks in Nigeria.

Furthermore, Ojo (2009) examined the effect of microfinance on entrepreneurial growth in Nigeria. The study revealed that microfinance institutions in Nigeria and worldwide have impacted on organizations, individuals, the government and other financial organizations, and the economy in positive ways through their offered services and the roles they play in the economy.

Also, Kobla (2009) examined the impact of microfinance banks on small scale enterprises

in the South Tongu District, Ghana, through the use of descriptive statistics. He concluded that microfinance had the capability of reducing poverty in its clients when the products given to the clients were incorporated with regular monitoring, training and supply of equipment. The study also disclosed that those who benefitted significantly from the products of microfinance enjoyed upsurge in their income, creation of employment, equipment and improvement in standard of living.

On the other hand, Akande (2012) studied the impact of micro credit on the performance of women owned micro enterprises in Oyo State. Data were gathered via structured questionnaire and analysed with descriptive statistic (frequencies, tables, charts, percentages) while chi square was used to test the hypothesis. The study revealed that micro credit did not have a significant improvement on the performance of women owned micro enterprises in Oyo State due to high interest rates and short repayment periods.

### **3. Materials and Method**

#### **3.1 Study Area**

Akure Metropolis which comprises Akure North and Akure South Local Government Areas (LGAs) in Ondo State, Nigeria, is the study area of this research. Akure metropolis 7°15'0"N 5°11'42"E as her coordinates and 484,798 as its population (National Population Census, 2006). Ondo State was created in 1976. Prior to 1976, Ondo state was part of formal Western state. Ondo State is made up of swampy areas and humid tropics in the extreme south, drier savannah up lands in the Northern parts and tropical rainforest further north. The state is located between 5° East of Greenwich and latitude 6° to 8° North, in the Southwest part of Nigeria, and has a population of 3,440,000. Ondo state covers a geographical area of 15,500 km<sup>2</sup> (6,000 sq m) and encompasses eighteen Local Government areas and three senatorial districts (National Population Census, 2006).

#### **3.2 Method**

Survey design was used for this study. Multistage sampling technique was utilized for the study (Purposive sampling was used to select Lapo and Nigeria Police Force microfinance) because they are the popularly recognized micro finance banks in Akure Metropolis, Ondo State, Nigeria, that are

registered with Corporate Affairs Commission. 22,350 (16,570 women and 5,780 male traders) were on the list of the five branches of Lapo microfinance and the only branch of Nigeria Police Force in Akure metropolis). The women traders (16,570) on the list of the two banks were used as the population of study. Taro Yamane (1967)'s formula ( $n = N/1+N(e^2)$ ) - where:  $n$  = Sample Size,  $N$  = Population of the Study, and  $e$  = error margin @ 5% (0.05) was used to select the sample size for the study (391 women traders). Since the number of women in each bank were not equal, proportionate stratified sampling and simple random sampling techniques were used to select the number of women in each bank that made up the sample size. Out of the total number of women traders (3,872) on the list of the Nigeria Police Force Microfinance Bank Plc., Alagbaka, 91 were selected; out of 2,597 women traders on Lapo Microfinance Bank Oba Adesida road, Akure's branch, 61 were selected; out of 1,829 women traders in Lapo Microfinance Bank, Unity road, Akure's branch, 43 were selected; out of 3,037 women traders in Oke-Aro, Akure's branch, 72 were selected; out of 2,533 women traders in Isikan, Akure's branch, 60 were selected; out of 2,702 women traders in Ishile, Akure's branch, 64 were selected. Primary data were collected with structured questionnaire. 349 copies of questionnaires were retrieved from the 391 copies disseminated to respondents. However, only 306 (78.26% of the disseminated copies of questionnaires) were usable after the data cleaning. Pearson Product-Moment Correlation Coefficient (PPMCC) was used to analyze data and also test hypothesis at 5% level of significance, alongside with  $\chi^2$ . The validation of the research instrument was carried out through content analysis by lecturers in the field of business Administration and finance. Also, 10% of the questionnaire were administered to some beneficiaries of microfinance loan from ABC microfinance bank (Headquarter, Mission Road) in Benin-City, Edo State and used as pilot test. Edo State was selected because of its

similar characteristics with the study area. Reliability test of the research instrument was carried out by Cronbach's Alpha, with .70 used as a benchmark to determine the degree of reliability of the research instrument to be used to carry out social research. Cronbach Alpha coefficient of the reliability test carried on the research instrument was .826. This value is higher than 0.7., which implies that the results are high and suitable for social science.

## 4. Results and Discussion

### 4.1 Socio-Economic Characteristics of Respondents

Table 1 shows that 100% of the respondents are Nigerians. Sixteen percent (16%) of them attended Primary School, 28%, Senior Secondary school or its equivalent, 34%, Vocational/Technical education, 7% higher institutions, and 15% had no education. This result shows that, a lot of the respondents attended Primary School and Vocational/Technical School

The study also revealed that, 20% of the respondents, were between age 20 to 29 years, 28%, 30 to 39 years, 26%, 40 to 49 years, 16%, 50 to 59 years, and the remaining 10% were 60 years and above. This result shows that most of the respondents were between age 30 and to 49 years.

In addition, 100% of the respondents were female. This result is due to the fact that the study was carried out on only women traders in the study area, which were purposively selected. Moreover, provision sellers made up 16% of the respondents, soap makers, 4%, hairdressers, 14%, food stuff sellers, 13%, Bead Makers, 3%, pepper sellers/grinders, 21%, those into clothing/tailoring business, 25%, confectionaries/catering services, 5%, and those involved in other trades, 5%. This result shows that, the majority of the respondents were into clothing/tailoring business. Furthermore, 100% of the respondents had their businesses within Akure South Local Government Area in Akure Metropolis, Ondo State, Nigeria.



**Table 1. Distribution of socio-economic characteristics of respondents**

Characteristic	Respondent category	Frequency	Percentage (%)
<b>NATIONALITY</b>	Nigerian	306	100
	<b>Total</b>	<b>306</b>	<b>100</b>
<b>EDUCATION QUALIFICATION</b>	Primary certificate	50	16
	SSCE (or equivalent)	87	28
	Vocational/Technical	105	34
	Higher Institution	21	7
	Not Educated	43	15
	<b>Total</b>	<b>306</b>	<b>100</b>
<b>AGE</b>	20-29 years	55	20
	30-39years	88	28
	40-49 years	82	26
	50-59 years	50	16
	Above 60 years	31	10
	<b>Total</b>	<b>306</b>	<b>100</b>
<b>GENDER</b>	Male	0	0
	Female	306	100
	<b>Total</b>	<b>306</b>	<b>100</b>
<b>TYPE OF BUSINESS</b>	Provision Selling	32	10
	Soap making	12	4
	Hairdressing	42	14
	Food Stuff Selling	41	13
	Bead Making	10	3
	Pepper Selling/Grinding	63	21
	Clothing Business/Tailoring	76	25
	Confectionaries/Catering	14	5
	Others	16	5
	<b>Total</b>	<b>306</b>	<b>100</b>
<b>LOCATION STATE</b>	Ondo (Akure South)	306	100
	<b>Total</b>	<b>306</b>	<b>100</b>

Source: Field Survey, 2020

#### 4.2 Effect of Accessibility to Microfinance Credit on Standard of Living of the Women Traders

Table 2 disclosed the distribution of the effect of accessibility to microfinance credit on the Standard of Living of the Women Traders. Out of the eight items used to measure the effect of accessibility to microfinance credit on the Standard of Living of the women traders, six were able to improve their standard of living clearly above average on only three of the items, ability of the women to expand their businesses (on the 1<sup>st</sup> position on the mean ranking, with mean = 3.1569, standard deviation = .936 and  $\chi^2 = 19.9$ ), ability to pay

children school fees (on the 2<sup>st</sup> position with mean = 3.1176, standard deviation = .135 and  $\chi^2 = 19.9$ ), and ability to pay shop rent (on the 3<sup>rd</sup> position with mean = 3.0915, standard deviation = .035 and  $\chi^2 = 29.5$ ). However, the  $\chi^2$  test which was carried out at 5 % level of significance, shows that, accessibility to microfinance credit by these women traders had significant relationship with the standard of living of the women traders in these three areas and 4 other areas (ability to pay medical bills, on the 4<sup>th</sup> position in terms of mean average, ability to provide three square school

meal per day, on the 5<sup>th</sup> position, and ability to pay house Rent on the 6<sup>th</sup> position). However, their mean ratings were moderate, but the  $\chi^2$  test also revealed a significant relationship between the dependent and independent variables. However, the items on the 7<sup>th</sup> and 8<sup>th</sup> position (ability to afford basic needs (like

Clothing), and ability to live above 684 naira (\$1.90) per day) on the mean ranking, with mean averages of 2.7778 and 2.0686 and  $\chi^2$  of 27.7 and 21.4 respectively, disclosed that based on these items, there was no significant relationship between the dependent and independent variables

**Table 2: Distribution of the effect of microfinance loan on Standard of Living of the women traders**

STANDARD OF LIVING VARIABLES	NUMBER	Mean Rank	MEAN Rank	SD	$\chi^2$	P-VALUE
To provide three school meal per day	306	2.9281	5	.313	34.3	.000
Ability to pay Children School Fees	306	3.1176	2	.135	32.5	.000
Ability to pay House Rent	306	2.8562	6	.752	34.7	.000
Ability to pay Shop Rent	306	3.0915	3	.035	29.5	.001
Ability to pay Medical bills	306	2.9935	4	.895	21.0	.002
Ability to Expand Business	306	3.1569	1	.936	19.9	.000
Ability to live above 684 naira (\$1.90) per day	306	2.0686	8	.414	21.4	.500
Ability to afford basic needs (Clothing)	306	2.7778	7	.967	27.7	.510

Source: Field Survey, 2020

**4.3 Pearson correlation analysis between accessibility to microfinance credit and women traders’ Standard of Living**

Table 3 shows the correlation analysis between accessibility to microfinance credit and women traders’ standard of living. The result revealed the following:

**Test Statistics** = Pearson Correlation

**Confidence Level** = 95%

**Significant Level** = 5% (0.05)

**Decision Rule** = The calculated value for the Pearson correlation is .510. This shows that there was a positive but moderate relationship between accessibility to microfinance loan and

women traders’ standard of living. The level of significance of .002 which is lower than the table value of 0.05 was attained between the dependent and independent variables. This means that, the null hypothesis was rejected while the alternate hypothesis is retained. Thus, it can be concluded that there was a positive and significant relationship between accessibility to microfinance credit and women traders’ income in Akure Metropolis, Ondo State, Nigeria. Nevertheless, the relationship was just moderate.

**Table 3: Pearson correlation analysis between accessibility to microfinance credit and women traders’ Standard of Living**

Source: Field Survey, 2020

		Micro credit	Respondent’s Standard of living
Micro Credit	Pearson Correlation	1	.510**
	Sig. (2-tailed)		.002
	N	306	310
Respondent’s Standard of Living	Pearson Correlation	.510**	1
	Sig. (2-tailed)	.002	
	N	306	310

This result is in agreement with those of Weerasinghe and Dedunu (2017) who carried out a study on the impact of micro finance on living standard with reference to microfinance holders in Kurunegala District, and Olumuyiwa and Oyebo (2012)'s study on the impact of microfinance bank on the standard of living of hairdressers in Oshodi-Isolo Local Government of Lagos State, and concluded that, microfinance banks credit had a positive impact on the standard of living of the owners of small and medium scale aquaculture development. On the other hand, the study is in disagreement with those of Akande (2012) who examined the impact of micro credit on the performance of women owned micro enterprises in Oyo State and revealed that micro credit did not have a significant improvement on the performance of women owned micro enterprises in Oyo State due to high interest rates and short repayment periods.

## 5. Conclusion

It can be concluded from the results above that microfinance credit helped to improve the standard of living of women traders' in Akure Metropolis, Ondo State, Nigeria, however, the enhancement was only moderate. The paper recommended the need for women traders to be given enough credit in order to have enough working capital to run and grow their businesses and in consequence, increase their standard of living beyond a moderate level.

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# The Impact of Quality of Work Life on Organizational Commitment (A case study of Benue Investment and Property Company)

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## ABSTRACT

*The study examined the impact of Quality of work life on organizational commitment in Benue Investment and Property Company (BIPC). Descriptive survey design was adopted and the population of 125 employees. Linear regression was used to ascertain the impact between Quality of work life and organizational commitment in BIPC. Statistically, the findings revealed a significant impact between Quality of work life variables of work environment on organizational commitment in BIPC ( $\beta = 0.76$ ;  $p$  value = 0.000 and  $t$  value = 13.65). Career progression equally have significant impact on organizational commitment ( $\beta = 0.74$ ;  $p$  value = 0.000 and  $t$  value = 11.92). The study concluded that, quality of work life is determined by employees who are commitment with their work. This study recommends that management should improve on the quality of work life of employees by adapting methods that will make the working conditions more meaningful.*

**Keys:** Quality of work life, Work environment, Careers progression, Employee, Organizational commitment.

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## **1.1 Introduction**

The quality of work life is a situation that is created when there is a balance between the needs of employees and the organizations efforts to humanize employees. This is intended to make employees feel happy, comfortable, and enjoy their work (Budiatma, Suparman & Sakti, 2018). Consequently, organizations are expected to create a favourable work life both physically and non-physically (Bangwal & Tiwari, 2019). Conditions like this can provide opportunities for employees to develop themselves, get welfare to meet the needs of life, and have a safe and pleasant work environment, which in turn will help improve the organizational achievement. The demands and challenges of market changes will continue to be faced by various corporations within and outside the Country. In order to adapt to intense competition in the market and rapid technological and digital changes, companies need internal commitment from its employees (Onu, Akinlabi & Adegbola, 2018).

Organizational managements are expected to properly understand the concept of quality of work life and use this concept to improve the welfare, safety and wellbeing of the employees. For the company, the quality of work life and commitment will be one of the factors that support efforts to create human resources who have high productivity and lower the employees' desire to leave the company. If every organization considers creating a good quality of work life, it will surely benefit the overall economy of the country as well (Osibanjo, Oyewunmi, Abiodun & Oyewunmi, 2019). Quality of work life is a multidimensional form of employee relations with the work environment which are used in evaluating the process of meeting the employees' needs in areas of working tools, furniture and equipment (Obiageli, Uzochukwu & Ngozi, 2015). Also, in the case of career progression within the organization, the employees skills and potentials are been developed through training and mentoring which enhance their commitment. Quality of work life is needed to shape employee commitment in the company they work for, so it is important for every company to be able to understand and use it (Osibanjo et al, 2019). Organizational commitment itself is

a source of information about employees' commitment level towards their organization. Employees with high organizational commitment will enhanced the performance of the organization. On the other hand, employees with low organizational commitment will bring low performance and have a tendency to decrease the earning of that organization (Ahmad, 2013). Organizational commitment that occurs in these employees will affect their desire to share and sacrifice for the company (Daud, Yaakob & Ghazali, 2015). Therefore, this study seeks to empirically examine the impact on Quality of Work Life and Organizational Commitment (A case study of BIPC Makurdi).

## **1.2 Statement of the Problems**

Quality of work life and organizational commitment are two of most important and fundamental subjects in today's organizational behaviour. Quality of work life has become one of the essential concerns among contemporary employees and employers. Farjad & Varnous (2013) in their study conclude that the low level of organizational commitment in the company could be attributed to lack of promotion and career regression; others include lack or non-availability of working tools and unhygienic working environment for the employees. This study focuses on addressing the following issue.

## **1.3 Objectives of the Study**

The objectives of this study is as follows;

- i) To examine the impact of Work Environment on Organizational Commitment in Benue Investment and Property Company (BIPC) Makurdi
- ii) To determine the impact of Career Progression on Organizational Commitment in Benue Investment and Property Company (BIPC) Makurdi

## **1.4 Research Questions**

The study sets to answer the following research questions:

- i) To what extent does Work Environment impact on Organizational Commitment in Benue Investment and Property Company (BIPC) Makurdi?
- ii) To what extent does Career Progression impact on Organizational

Commitment in Benue Investment and Property Company (BIPC) Makurdi?

### **1.5 Research Hypotheses**

The following hypotheses are formulated to be tested to know the level of significance:

- i) There is no significant impact between Work Environment on Organizational Commitment in Benue Investment and Property Company (BIPC) Makurdi.
- ii) There is no significant impact between Career Progression on Organizational Commitment in Benue Investment and Property Company (BIPC) Makurdi.

### **2.0. Review of Related Literature**

A conceptual clarification represents the researcher's synthesis of the literature on how to explain a phenomenon. It maps out the actions required in the course of the study.

#### **2.1 Concept of Quality of work life**

Quality of work life means considering individual and group differences in terms of high-quality working conditions, when dealing with retaining good employees (Fatemeh, Mehrane, Qader, Kani, & Hafezian, 2014; Tavassoli & Sune, 2018). The quality of work life program includes any improvement in organizational culture that supports employee growth and development in the organization. Quality of work life which is related to the current work environment and career progression entailed the opportunity to exercise one's talents and capacities, to face challenges and situations that require independent initiative and self-direction. Also, an activity in which one understands the role the individual plays in the achievement of some overall goals and a sense of taking pride in what one is doing and is doing it well. Quality of work life is essential for organizations to continually attract and retain employees. Farjad & Varnous (2013) defined Quality of work life as the favourable conditions and environments of a workplace that support and promote employees satisfaction by providing them with job security and reward.

Quality of work life encompasses various aspects such as working conditions, working time, mode of wages payment, health hazards, and management behaviour during the process of responding to the needs of the employees. Therefore, Quality of work life involves some financial and non-financial benefits, as well as management behaviour towards workers. Darko-Asumadu, Sika-Bright & Osei-Tutu (2018) describe Quality of work life as the favourable working environment that supports and promotes satisfaction by providing employees with rewards, job security and career growth opportunities. Quality of work life can also be defined as a feeling that employees have towards their jobs, colleagues, and the organization (Dagogo, 2018). Thus, if employees have good feelings towards their jobs, colleagues, and the organization, it implies that they are happy doing their work; and consequently, the output will be good. It also consists of opportunities for active involvement in group working arrangements or problem solving that are of mutual benefit to employees and employers (Farjad & Varnous, 2013).

#### **2.2 Dimensions of Quality of Work life**

##### **2.2.1 Work Environment**

Work environment refers to the organizational atmosphere in which employees do their jobs. According to Bangwal & Tiwari (2019), the work environment is related to a certain organizational climate in which employees perform their duties. A safe work environment can attract employees because their needs tend to be met. So that for this to be successful, organizations must design their work environment in such a way that they can increase the level of commitment and motivation of employees which will ultimately produce the desired results. This is also supported by a statement from Beloor, Nanfundeswaraswamy & Swamy (2020) which states that each organization will generally interact with the environment in which an organization is located. The environment itself undergoes changes and what can survive is an organization that can adapt to environmental changes. Conversely, the organization will experience a period of collapse if the organization does not pay

attention to the development and changes of the surrounding environment.

Obiageli, Uzochukwu & Ngozi, (2015) highlights the constructs of interaction between work environment and personal needs of the employees. The work environment that is able to fulfill employees' needs is considered to provide a positive interaction effect which will lead excellence of the organization. They emphasized that personal needs are satisfied when rewards from the organization such as rewards or compensation, promotion, recognition and development meet their expectation. Bangwal & Tiwari (2019) further stated that the nature of physical condition under which an employee works is important to output. Office and factories that are too hot and ill ventilated are debilitating to effort. There should be enough supply of good protective clothing, drinking water, rest rooms, toilets and first aid facilities. Both management and employees should be safety conscious at all times. Raziq & Maulabakhsh (2015) defines a work environment to that which is safe and healthy with no hazards and no undue risk. The work environment should create an opportunity to use talents effectively, to acquire new skills and knowledge for advancement.

### **2.2.2 Career progression**

Career is a series of jobs an individual has over his or her lifetime. This job may reflect an upward trajectory meaning that one will have increasing responsibilities, compensation and more prestigious title with each subsequent position (Ahmad, 2013). Career progression provides the basis for ongoing learning and development and also, helps to increase the individuals, personal satisfaction and motivation and co-jointly decides quality of work life. Career progression has become the primary responsibility of individuals in the organizations. Organizations must ensure the accessibility of a healthy and feasible atmosphere for the employees to progress. There is a need to carry on learning with the rate of change of workplace environments. This may foster increase control at one's learning and development and motivating work life in the organization.

Neyshabor (2013) described the stages of career progression in an organization and came

up with career life-cycle which has the following career stages:

- i) Stage one is entry to the organization when the individual can begin the process of self-directed career planning.
- ii) Stage two involves progress within particular areas of work where skills and potentials are developed through experience, training, coaching, mentoring, and performance management.
- iii) Stage three, Mid-career when some people will have good career prospects while others may have got as far as they are going to get, or at least feel they have. It is necessary to ensure that these people do not lose interest at this stage by taking such steps as providing them with cross.
- iv) Stage four is late career when individuals may have settled down at whatever level they have reached but are beginning to be concerned about the future they need to be treated with respect as people who still make contribution and given opportunities to take on new challenges whenever this is possible. They may also need reassurance about their future with the organization and what is to happen to them when they leave.
- v) Stage five is end of career with organization there is the possibility of phasing disengagement by being given the chance to work.

### **2.3 The concept of Organizational Commitment**

Organizational commitment is defined by Jehanzeb & Mohanty (2018) as the level of involvement and self-confidence in the organization where they work. This implied organization need employees who have high organizational commitment so that the organization can continue to survive and improve the services and products it produces. Similarly, employees who have high organizational commitments are more stable and productive so that in the end, they are also more profitable for the organization (Orgambidez & Almeida, 2020). Also, organizational commitment is the commitment of employees to the organization they work for and is one of the guarantees for maintaining

the continuity of the organization. It's also related to the high desire of employees to share and sacrifice for the company (Fatemeh, et. al, 2014). Organizational commitment is a factor that affects goals, values and interests in the organization and this can be assessed on three dimensions, namely identification, attachment, and loyalty. According to Jehanzeb & Mohanty, (2018) organizational commitment is described as a psychological state that characterizes the employee's relationship with the organization and has implications for the decision to continue or terminate membership in the organization.

The three-component model of organizational commitment was developed by (Allen & Meyer, 1996). This model proposes that organizational commitment is experienced by the employee as three simultaneous mindsets encompassing affective, normative, and continuance organizational commitment.

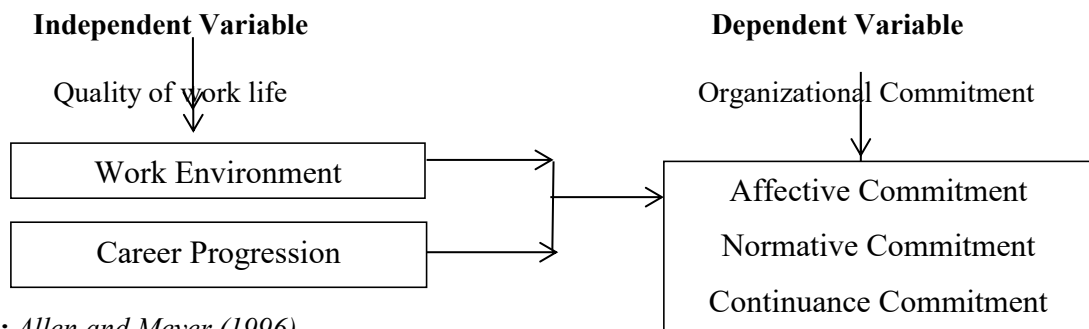
- i) Affective commitment refers to an emotional attachment, identification, and involvement that an employee has with its organization where he is happy to be a member of that organization. Employees with high affective commitment stay in the organization and are willing to make great effort for the interests of the organization.
- ii) Normative commitment is the commitment that a person has out of his feeling of obligation to his workplace with a feeling of moral obligation. A person with high normative commitment remains a member of the organization because they feel working for that organization is his duty and staying with or showing commitment to his organization. It's related to a person's personal loyalty, norms and values.
- iii) Continuance commitment is the willingness to remain in an organization because of potential extra costs or few job alternatives in case one resigns from the organization. Individuals with high continuance commitment consider it as a requirement to stay in the organization

so as to prevent from financial and/or other losses.

#### **2.4 Quality of Work Life and Employee Commitment**

Quality of work life is directly linked to employee commitment because they influence performance as well as profitability and sustainability of the organization. When Quality of work life initiatives are perceived and accepted as adequate, employees are happy leading to increased motivation, strength and commitment to the organization (Freyedon, Adel & Ebrahim, 2012). As a result, they tend to contribute meaningfully to the achievement of organizational goals, which was confirmed by Budiatma, Suparman & Sakti (2018) that employees give more when they perceive that they will have commensurate reward in return for their service. On the other hand, the reverse is the case when Quality of work life is perceived as inadequate and unacceptable. When this situation arises, some deviant behaviours (adverse outcomes) come into play, which negatively affects performance as well as corporate existence and sustainability of the organization (Anthony, 2017; Osibanjo, et. al, 2019).

Quality of work life is linked to the dimension of employees commitment, it entails accepting the values of the organization and willingness to contribute meaningfully to the achievement of corporate goals within the organization (Fatemeh, et. al, 2018). This commitment is characterized by a degree of willingness to remain with a company coupled with its organizational objectives and values. Certain factors are responsible for different responses to issues related Quality of work life which include individualism, masculinity and uncertainty avoidance as well as power distance (Fapohunda, 2013). Individualism is concerned with self as against collectivism in an organization. Masculinity deals with emphasis on personal achievement and success at the expense of relationship and care for the vulnerable; while uncertainty avoidance has to do with taking personal risk and avoiding unpredictable situations (Fapohunda, 2013).



Source: Allen and Meyer (1996).

## 2.5 Theoretical Framework

The study is grounded on one theory i.e. The Socio-technical Systems Theory which explains the link between quality of work life and organizational commitment. This was put forward by Eric Trist, Ken Bamforth and Fred Emery in 1960 who at that time working as consultants at the Tavi Stock in London. They maintain that the technical subsystem comprises the devices, tools and techniques needed to transform inputs into outputs in a way which enhances the economic performance of the organization. The social system comprises the employees and their knowledge, skills, attitudes, values which are needed in the work environment and the reward system which are significant to career development as well as the authority structures that exist in the organization. Quality work life can be traced back to socio-technical systems theory. This theory maintains that engaging employees fully in designing work gives them a sense of well-being as they find their work fulfilling and committed. This theory has emerged as a significant approach to designing organizations, especially at the technology and people interface. The main task of the designer is to enhance the quality of working life and the job commitment of the employee. In turn the achievement of these objectives will enhance productivity and yield added value to the organization.

## 2.6 Empirical Review

Darko-Asumadu, Sika-Bright & Osei-Tutu (2018) carried out a study on the influence of work-life balance on employees' commitment among bankers in Accra, Ghana. The study employed a descriptive cross-sectional survey design with 115 employees responding to

questionnaires and seven employees participating in interviews. There was a weak positive relationship between work-life balance and commitment among employees because they were not satisfied with paternity leave, study leave, and part-time work. The reviewed study examined work-life balance on employees' commitment among bankers in Ghana as against the present study that emphasis on public sector organization in Benue, Nigeria.

Onu, Akinlabi & Adegbola (2018) carried out a study on Work Life Balance and Commitments of Employees in the Selected Deposit Money Banks in Ogun State, Nigeria. The research work adopted survey research design, the target population was 250 employees and sample size was 154 using Taro Yamane's formula. For reliability, Cronbach Alpha was used and the values were 0.74 and 0.80. The results revealed that leave policy had significant effect on normative commitment ( $\beta = 0.170$ ,  $t=2.318$ ,  $p<0.05$ ). The reviewed study was done among employees of deposit money banks in Ogun State as against the present study which focuses on Benue Investment and Property Company.

Dagogo (2018) conduct a study on the Quality of Work Life on Employee Job Satisfaction in Deposit Money Banks in Port Harcourt, Rivers State. The study adopted a cross sectional research design and used questionnaire as the primary source of data collection. A sample of one hundred and eighty-eight (188) respondents were drawn from a population of three hundred and fifty five (355) respondents across the seven selected Money Deposit Banks in Port Harcourt, Nigeria using the Taro Yamane's formula for sample size



determination. After data cleaning, only data of 151 respondents were finally used for data analysis. Results revealed that there is a positive significant relationship between quality of work life and employee job satisfaction. The reviewed study used cross sectional research design as against the present study that uses survey research design.

Osibanjo, Waribo, Akintayo, Adeniji & Fadeyi (2019) conduct a study on the Effect of Quality of Work Life on Employees' Commitment across Nigerian Tech Start-Ups. Survey research design was used for questionnaire. Four hypotheses were developed with a sample data of 300 employees across the different tech-start-ups. Structural equation modeling was used to determine the relationship with gender and marital status. The result shows that employee commitment is largely influenced by quality of work life. The reviewed study used four hypotheses as against the present study that uses two hypotheses.

Budiatma, Suparman & Sakti (2018) carried out study on the Effect of Quality of Work Life on Organizational Commitment and Job Satisfaction in Central Lombok Regency. The population of the employees was 52 people. A

census was used for data collection. Data analysis techniques used in this study is the analysis of PLS (Partial Least Square). The results of this study indicate that quality of work life has a positive and significant effect on organizational commitment and job satisfaction. The reviewed study used Partial Least Square for analysis the data as against the present study that uses Linear Regression.

### **3.0 Research Methodology**

#### **3.1 Research Design**

The study adopted a descriptive survey design in examining the impact of Quality of work life on organizational commitment in Benue Investment and Property Company (BIPC). The descriptive survey design method was useful in exploring how Quality of work life impact on organizational commitment in the study area. It is an efficient approach of collecting data regarding characteristic of sample of a population and conditions.

#### **3.2 Population**

Population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate. The research targeted all cadres of employees in the company which is 125 employees as shown in table 3.1 below.

**Table 3:1 Population of Benue Investment and Property Company**

S/N	Categories	Number
1.	Management cadre	9
2.	Senior staff cadre	98
3.	Junior staff cadre	18
<b>Total</b>		<b>125</b>

Source: *Field Survey, 2021*

#### **3.3 Data Collection**

The primary sources of data collected for this study which is a structured questionnaire conducted by the researcher within the premise of the Benue Investment and Property Company (BIPC) Makurdi, and was administered to all employees of the company.

#### **3.4 Data Analysis**

Frequencies and percentages were used to answer the research questions and were presented using tables while regression analysis was used to determine to the extent to which the independent variables explained a change in dependent variable in the hypothesis.

### **4.0 Reports of Finding**

#### **4.1 Data Presentation and Analysis**



**Table 4.1:** To examine the effect of Work Environment impact on Organizational Commitment in Benue Investment and Property Company (BIPC) Makurdi

Statement	Degree of response					
	SA	A	U	D	SD	TOTAL
<b>Work Environment</b>						
1. Various working tools are available for employees to perform better.	47	40	20	11	7	<b>125</b>
2. Our offices and workspaces are well designed to enhance employee commitment.	36	42	23	18	6	<b>125</b>
3. Furniture which the employees are using is very comfortable and the working environment is sufficient.	41	50	15	11	8	<b>125</b>
4. The office environments the employees operate from are well illuminated and secure.	51	48	7	12	7	<b>125</b>
5. The temperatures in the office environment are fitting with less noise which motivates the employees.	53	45	14	6	7	<b>125</b>

Source: Field survey, 2021.

Table 4.1 shows that 47 respondents representing 37.6% strongly agree on the statement that various working tools are available for employees to perform better. 40(32%) agree, 20(16%) were undecided, 11(8.8%) disagree and 7(5.6%) strongly disagree. Likewise, 36 respondents representing 28.8% strongly agree on the statement that our offices and workspaces are well designed to enhance employee commitment. 42(33.6%) agree, 23(18.6%) were undecided, 18(14.4%) disagree and 6(4.8%) strongly disagree. Equally, 41 respondents representing 32.8% strongly agree on the statement the Furniture which the

employees are using is very comfortable and the working environment is sufficient. 50(40%) agree, 15(12%) were undecided, 11(8.8%) disagree and 8(6.4%) strongly disagree. Similarly, 51 respondents representing 40.8% strongly agree on the statement the office environments the employees operate from are well illuminated and secure. 48(38.4%) agree, 7(5.6%) were undecided, 12(9.6%) disagree and 7(5.6%) strongly disagree. Finally, 53 respondents representing 42.4% strongly agree on the statement the temperatures in the office environment are fitting with less noise which motivates the employees. 45(36%) agree, 14(11.2%) were undecided, 6(4.8%) disagree and 7(5.6%) strongly disagree.

**Table 4.2:** To examine the effect of Career Progression impact on Organizational Commitment in Benue Investment and Property Company (BIPC) Makurdi

Source: Field survey, 2021.

Statement	Degree of response					
	SA	A	U	D	SD	TOTAL
<b>Career Progression</b>						
1. The demands of the work enhance employees' career progression.	50	46	9	12	8	<b>125</b>
2. Employees' skills and potentials are developed through training, coaching and mentoring.	45	42	17	12	9	<b>125</b>
3. Employees of the company get support from management whenever training activities are going on.	44	40	19	16	6	<b>125</b>
4. They employees are given enough authority to development their talents on the areas of specialties.	39	45	15	12	14	<b>125</b>
5. There are career development opportunities in the company for employees to choose.	41	43	18	13	10	<b>125</b>

Table 4.2 shows that 50 respondents representing 40% strongly agree on the statement that demands of the work enhance employees' career progression. 46(36.8%) agree, 9(7.2%) were undecided, 12(9.6%) disagree and 8(6.4%) strongly disagree. Also, 45 respondents representing 36% strongly agree on the statement that Employees' skills and potentials are developed through training, coaching and mentoring. 42(33.6%) agree, 17(13.6%) were undecided, 12(9.6%) disagree and 9(7.2%) strongly disagree. In the same way, 44 respondents representing 35.2% strongly agree on the statement Employees of the company get support from management whenever training activities are going on. 40(32%) agree, 19(15.2%) were undecided, 16(12.8%) disagree and 6(4.8%) strongly disagree. Furthermore, 39 respondents

representing 31.2% strongly agree on the statement they employees are given enough authority to development their talents on the areas of specialties. 45(36%) agree, 15(12%) were undecided, 12(9.6%) disagree and 14(11.2%) strongly disagree. Lastly, 41 respondents representing 32.8% strongly agree on the statement there are career development opportunities in the company for employees to choose. 43(34.4%) agree, 18(14.4%) were undecided, 13(10.4%) disagree and 10(8%) strongly disagree

**4.2 Hypotheses Testing and Discussion**

**H<sub>01</sub>:** There is no significant impact between Work Environment and Organizational Commitment in Benue Investment and Property Company (BIPC) Makurdi.

**Table 4.3: Hypothesis testing for Work Environment on Organizational Commitment**

Model Variables	R	R <sup>2</sup>	β	t	F	p-value
Constant	-	-	1.04	4.75	-	-
Work Environment	0.78	0.60	0.76	13.65	186.28	0.000

*Source: Linear Regression Analysis Results using SPSS version 24*

*Note: Regression significant at 5% level of significance.*

**Interpretation**

Table 4.3 shows the prediction equation being Organizational commitment = 1.04 + 0.76(Work Environment) telling us that the Physical workplace factors are predicted to have increase by 0.76 when the organizational commitment variable goes up by 1%. The value of 0.78 indicates a linear regression with 60% of the variation in the dependent variable revealed by the coefficient of determination (R<sup>2</sup>), while the remaining 40% was due to

other factors not presumed in the variation model. The regression results showed that the Work Environment significantly have effect on organizational commitment in Benue Investment and Property Company (BIPC) with (β = 0.76; p value = 0.000 and t value = 13.65) and thus the null hypothesis was rejected.

**H<sub>02</sub>:** There is no significant impact between Career Progression and Organizational Commitment in Benue Investment and Property Company (BIPC) Makurdi.

**Table 4.4: Hypotheses testing for Career Progression on Organizational Commitment**

Model Variables	R	R <sup>2</sup>	β	t	F	p-value
Constant	-	-	1.18	4.98	-	-
Career Progression	0.73	0.54	0.74	11.92	142.13	0.000

*Source: Linear Regression Analysis Results using SPSS version 24*

*Note: Regression significant at 5% level of significance.*

**Interpretation**

Table 4.4 shows the prediction equation being Organizational Commitment = 1.18 + 0.74(Career Progression) telling us that the behavioural workplace factors are predicted to have increase by 0.74 when the Organizational

Commitment variable goes up by 1%. The value of 0.73 indicates a linear regression with 54% of the variation in the dependent variable revealed by the coefficient of determination (R<sup>2</sup>), while the remaining 46% was due to other factors not presumed in the variation model. The regression results showed that the

Career Progression significantly have effect on Organizational Commitment in Benue Investment and Property Company (BIPC) with ( $\beta = 0.74$ ;  $p$  value = 0.000 and  $t$  value = 11.92) and thus the null hypothesis was rejected.

#### 4.3 Discussion of Findings

- i) In the first objective, the value of  $p$ -value of 0.000 which is less than 0.05 acceptance levels is rejected and the alternative value which states that work environment significantly have effect on organizational commitment in Benue Investment and Property Company (BIPC) was accepted. This finding is in agreement with the views of Bangwal & Tiwari (2019) which explained that work environment have a significant impact on employee commitment which ultimately produces the desired results for the organization.
- ii) The second test show the value of  $p$ -value of 0.000 which is less than 0.05 acceptance levels is rejected and the alternative value which states that career progression significantly have effect on Organizational Commitment in Benue Investment and Property Company (BIPC) was accepted. This finding is in consonant with the views of Neyshabor (2013) whom describes career progression in an organization and its impact on employee commitment. This shows that skills and potentials are developed through experience, training, coaching, and mentoring.

### 5.0 Conclusion and Recommendations

#### 5.1 Conclusion

Quality of work life is specifically related to the level of happiness a person derives for his career. Each person has different needs when it comes to their careers progression and work environment; the quality of their work life is determined by whether those needs are being met or not. In other words, employees who are happy with their work are said to have a high quality of work life, and those who are unhappy or unfulfilled by their work are said to have a low quality of work life and demonstrate lack of commitment. This study therefore concludes that quality of work life bears a significant influence on organizational commitment.

#### 5.2 Recommendations

Based on the following recommendations;

- i) Management should endeavour to improve the quality of work life of employees by adapting methods that will make working conditions, health and safety of the employees that is conflict free. However, seeking for the respective opinion on areas of dissatisfaction and addressing it adequately.
- ii) Similarly, the issue of career progression in the area of employees' interest has to be settled. More so, a time-table for training programme e.g workshop, conference, off the job training and on the job training be prepared and reviewed to address the employee needs.

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## Appendix

### Regression

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.776 <sup>a</sup>	.602	.599	.746

a. Predictors: (Constant), Work Environment

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	103.566	1	103.566	186.275	.000 <sup>b</sup>
	Residual	68.386	123	.556		
	Total	171.952	124			

a. Dependent Variable: Organizational Commitment

b. Predictors: (Constant), Work Environment

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.036	.218		4.749	.000
	Work Environment	.756	.055	.776		

a. Dependent Variable: Organizational Commitment

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.732 <sup>a</sup>	.536	.532	.805

a. Predictors: (Constant), Career Progression

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	92.179	1	92.179	142.130	.000 <sup>b</sup>
	Residual	79.773	123	.649		
	Total	171.952	124			

a. Dependent Variable: Organizational Commitment

b. Predictors: (Constant), Career Progression

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.180	.237		4.981	.000
	Career Progression	.736	.061	.735		

a. Dependent Variable: Organizational Commitment

# **Effect of Globalization on Pharmaceutical Sector in Nigeria**

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## **ABSTRACT**

*The paper examined effect of globalization on pharmaceutical sector in Nigeria. The processes necessary for the pharmaceutical sector's growth such as relating to manufacturing, research and development and marketing were highlighted. Drawing on content analysis, the paper found that globalization has affected pharmaceutical sector in several ways including access to drugs, breaking cell and gene therapies introduced to same extent innovations in pharmaceutical sector. On the contrary, the paper found that, there is great disparity in pharmaceutical access between developed and developing nations, including Nigeria. The paper therefore, concluded that globalization on pharmaceutical sector has brought market failures, income difference and persisting in equity in Nigeria. It recommended among others that, the need to monitor the effects of globalization on pharmaceutical sector, ensure that the results of such monitoring are fed, effecting into decision making process.*

**Key Words:** Globalization, pharmaceutical, production, research and development, marketing

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## **Introduction**

There is widespread consensus now that fundamental changes to human societies around the globe are referred to as globalization. Though this evolution is historically rooted in how all societies have evolved and adapted over the millennia, there is a sense that the dramatic changes of recent decades are more intense and accelerated. The resultant effects of globalization potentially impact every individual, community and all sectors of the economy, including health. The changes emanating from globalization can be understood to extend to the field of pharmaceutical sector in different ways. First, with advanced science and technology, the research based pharmaceutical sector is entering and exciting new era in medicines development; research methods are evolving and we have many promising prospects on the horizon, with ground breaking cell and gene therapies being increasingly available (European Federation of Pharmaceutical Industries and Associations (EFPIA), 2002). The innovative pharmaceutical sector is driven by and drives, medical progress it aims to turn fundamental research into innovations treatment that are widely available and accessible to patients. Already, the sector has contributed to significant improvement in patient well-being. Some major steps in biopharmaceutical research, complimented by many smaller steps, have allowed for reductions in mortality, for instances HIV/AIDS cause and a number of cancer (EFPIA, 2021).

The pharmaceutical sector, driven by progress by researching, developing and bringing new medicines that improve health and quality of life for patients through globalization.

A growing body of evidence indicates that health status, pharmaceutical sectors, and outcomes are being variable affected by globalization. Many argue that globalization is giving rise to new patterns of health and disease linked to the consequent restricting of human societies. These patterns include the spread of new and re-emerging diseases, as well as the reconfiguration of existing health challenges including pharmaceutical inequalities within and across countries (Buchan, 2010). This paper examines an overview of how globalization is affecting pharmaceutical sector in Nigeria. These effects can be collectively understood as the effects of

the transition from international to global public health.

Theoretical analysis suggests that there are two major arguments for and against of globalization on pharmaceutical sector generally, and Nigeria in particular. One argument suggests that there are gross disparities in the effect of globalization on pharmaceutical sector in favour of developed countries. Another argument against the globalization on pharmaceutical sector as they only strengthen the monopoly proven of large companies of developed countries to the detriment of the developing countries. Thus, studies suggest mixed evidence on effect of globalization on the processes necessary for the pharmaceutical sectors growth (production/manufacturing, research and development and marketing) in developing countries, including Nigeria.

## **Nature of pharmaceutical industries in Nigeria**

The local production of drugs in developing countries (Nigeria) is unrealistic except in countries with large local market and capacity to produce active pharmaceutical ingredients (APIs) such as Argentina, Brazil, China, Egypt, India, Mexico and Thailand due to economics of scale and technological requirement of the manufacturer of drugs. This led to a move away from the promotion and laid more emphasis on the quality control of imported pharmaceutical production and laid more emphasis on the quality control of imported pharmaceutical and licensed generic products manufactured by multinational affiliates.

Ebohon (2012) in his study on the impact of oligopolistic research in transfer of global pharmaceutical manufacturing technology to the less developed countries of the South (Nigeria) in post globalism reported on the basis of empirical evidence from the advanced industrialized world, that the growth of oligopolistic research has given to patient monopoly and international property rights industry dominated by the multinational corporation. That guided by challenges and logic of central command functions, the centralization of research and development (R&D) as well as production of base chemicals, have become the strategy for global product standard maintenance, based on centralized product blueprint. Centralization encourages

intra-firm trade and profits maximization through over-invoicing and transfer pricing results further state that for potential drugs the industry has blocked transfer of technology to the less developed that state.

### **Empirical Review**

The last two decades have witnessed the emergence and consolidated of many economic paradigms in which emphasizes is on domestic deregulation and the removal of barriers to international trade and finance. Globalization can lead to perceptible gains in health status. Where markets are non-exclusionary, regulatory institutions put in place strong and safety nets. globalization enhances the performance of countries with a good human and physical infrastructure but narrow domestic markets (WHO,2021).

Giovanni (2021) argues that health gains in China, Costarica, the East Asia “Tiger economies” and Vietnam can be attributed in part to their growing access to global markets, saving and technology. He states that for most of the remaining countries, many of them in Africa, Latin America and Eastern Europe, globalization has not lived up to its promises due to a combination of poor domestic conditions, an unequal distribution of foreign investments and the imposition of new conditions further limiting the access of their exports to the organizations of Economic cooperation and development (OECD) markets. In these developing countries, the author opines, for the last twenty years have brought about a slow, unstable and unequal pattern of growth and stagnation in the pharmaceutical and health indicators.

The processes necessary for the pharmaceutical sector’s growth can be grouped into three broad categories; those relating to production, research and development, and marketing. All three segments of the sector interact with globalization in such a way as to ensure that the spread and effect of the international pharmaceutical sector or industry continues to estate, but not in a manner that fosters market diversity.

A growing body of evidence on disparity in the effect of globalization between developed and developing countries on pharmaceutical sector abound in literature. For instance, Cohen, Enyansa-Lutterodi, Torpey, Esmail and kurokawa (2005) report that developing countries make up approximately

80% of the world’s population but only represent approximately 20% of global pharmaceutical consumption. in such a circumstance, market failures, government failures and income differences account for this persisting inequity. Specifically high drug costs, weak or corrupt institutions, contributing to less than effective pharmaceutical purchasing and distribution systems, and the potential consequences of the trade related aspects of intellectual property (TRIPS) Agreement constrain drug access.

In a study, Pauw (2008) reports that the top multinational conglomerates of the developed world simply keep getting bigger and more profitable, while the ability of start-up drug industries and sick peoples of the developing world to supply and access badly needed medicines is being undermined and their population exported by the big Pharm’s cost –cutting maneuvers.

Ebohon (2012) in a study report that the emergences of the property right industry, manifested in product monopoly and abuse, raise fundamental ethical questions about the value of globalization paradigm in the content of public goods. This opinion remains strongly divided in the issue of properly rights, technology transfer, the knowledge gap and the globalization of cross-borders and sustainable development. The popular view is that, properly rights and the attendant regime have dualized the world into the rich North and the poor South, through manipulation of patient monopoly that stunts innovations, and the absorptive capacity of the South (including Nigeria).

Contrary to the above, Dragam (2011) reports that pharmaceutical sector has undergone fast, in precedence tremendous and complex. Changes in the last several years that has been adapting itself to market trends and market demands. The author states that pharmaceutical sector today unites the biggest of all kind potential development of brand-new drug is today estimated to need investment over 1.2 billion US dollar and takes over 12 years to brings it a finished, legally registered and approved product to a market place. This implies that basic research and development activities (R &D) together with marketing and sales activities are two most important operative and more strategies activities of the pharmaceutical sector.

Globalization on pharmaceutical manufacturing processes Nigeria remains heavily reliant on imported pharmaceutical (United Nations Industrial Development organizations (UNIDO, 2011). The procurement of medicines in Nigeria is influenced by economic globalization, the participation of stakeholders in the medicine supply chain (WHO, and Federal Ministry of Health, 2007), multiple manufacturing sites for the same product, the presence of extensive lilled markets, fake and substandard products and poor storage infrastructure (UNIDO, 2011). This report confirms that there are about 120 local drug manufactures in Nigeria with capacity utilization within the sector is about 40%, meaning that there is a large volume of underutilized manufacturing capacity which could be applied to produce new products upon demand.

The research intensity of the global pharmaceutical sector/industry is not replicated in the Nigerian affiliates beyond minor quality control activities (such as standards organization of Nigeria (SON), NAFDAC etc.) and since quality control activities that the affiliate plants to the blue prints from the head office, it can be argued that it discourages innovation at the affiliate plant level. While quality control is necessary in order to maintain product standards, the restriction limits the prospect for local technology development in the age of globalization (Ebohon, 2012). Ebohon further states that investment in pharmaceutical and allied research in Nigeria is weak. For instance, in 2003, overall manufacturing research and development (R&D) as percentages of manufacturing investment stood at 14.6 while pharmaceutical R&D as percentages of industry stood 8.4. Total industry investment in 2005 stood at 0.011% in manufacturing R&D in 2006 stood at 1.01, and 26.2% in 2007. The author reported that differential global resource distribution tends to stimulate the R&D concentration around the developed countries.

Estimates of the size of the pharmaceutical market in Nigeria vary significantly. In 2009, the pharmaceutical manufacturing group of the manufacturing Association of Nigeria (PMG-NAM) estimated the size of the total pharmaceutical and health care products market to be in excess of US Dollars 2 billion annually. Business

intelligence services estimate the pharmaceutical market in Nigeria at US dollar 600 million (Business Monitor International BMI, 2010) for 2009. Globalization has given the top pharmaceutical industries the power to dominate not only health policy, and pharmaceutical access for Nigeria, but by extension also the ability to change perceptive of who is worth giving health care to and for what. At stake is the public health and cultural dignity of both the developed and developing nations, as well as hopes for future drug innovations of any significance.

In a study Adedapo and Aras (2019) reported that the manufacturing output and transportation of pharmaceutical sector in Nigeria reacted significantly to foreign shocks emanating from globalization. The study established that the manufacturing output reacted negatively to exchange rate fluctuations, implying that exchange rate is very important to manufacturing sector in Nigeria.

Report from a World Bank (2005) study, reveal that there are several types of pharmaceutical manufacturers with different business models that operate manufacturing facilities in low-and middle-income countries, they include:

1. Subsidiary of large MNCs that manufacture patient-protected branded products for local and regional markets.
2. Global manufactures of generics that focus on developed markets in the United State, Europe.
3. Generic companies with predominantly national operative that focus on the domestic market with accessional exports into weigh being countries
4. Small –scale local manufacturers that usually make a limited number of products, including, traditional medicines to serves local or regional markets.

The globalization of the pharma sector and advent of worldwide publish health funding initiatives have led to a move competitive market for generic pharmaceutical and this has resulted in a significant decrease in the prizes of essential medicines.

### Findings of the Study

Drawing on content analysis, the following findings are made:

1. That globalization of pharmaceutical sector has introduced advances in health, science and technology.
2. It has partially induced innovations in research and development.
3. It has competitive comparative advantages to development nations informs of trade.
4. The pharmaceutical manufacturing sector in Nigeria has experiences a steady annual growth.
5. That there is a large volume of underutilized manufacturing capacity in Nigeria which could applied to produce new products upon demands.

### Conclusion

The study concludes that globalization on pharmaceutical sector has improved the health and well-being of nations that embrace technology. At the same time, there is great disparity in pharmaceutical access between developed and developing countries such as Nigeria. That Nigeria makes up only 20% of global pharmaceutical consumption, thereby underutilizing manufacturing capacity.

### Recommendations

1. There is urgent need to redefine the intellectual property rights in the context of public good where the state is not just an empire in public good construction, but significant actor working through consultants.
2. The design implantation of international rules and to take full account of their potential effects on the health care system and health related sectors. This implies the need for a full health impact assessment of international agreements and international agreement and measure that may have significant whether directly or indirectly.
3. There is need for interaction between different linkages. There are a number of trade-offs inherent in globalization process that need to be resolved, taking full account of their health dimension. Examples includes the trade in between food safety regulations in developed countries and

support prospect in low-income countries.

4. To make globalization work for the benefits of health requires a fundamental change in current approaches to economic issues at both national level policies need to be designed explicitly to maximize the well-being of the population, rather than assuring that this will automatically be achieved by policies oriented towards economic growth. At the international level, global rules, the activities of inter-governmental organizations, and the external policies of the government of major developed countries need to be directed towards removing constraints to, and maximizing the incentives for, developing country government to pursue these policies.
5. It is important to monitor the effects of globalization on pharmaceutical sector, and to ensures that the results of such monitoring are fed effectively into decision making process.

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# Re-Assessing The Emerging Dynamics of Job Stress on The Performance of Banks Employees in Makurdi Metropolis

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## ABSTRACT

*This study examined the multi-faceted dynamics of job-related stress on the performance of banks employees in Makurdi metropolis. The study used work load, role ambiguity, target and work-family conflict as proxies of job stress while task performance and contextual performance were used as proxies of employees' performance. The study adopted a survey research design and used a closed ended questionnaire structured in five Likert Scale to source the primary data. The study population comprised of all the staff of the three selected banks (Access, GTB and First bank) numbering 356 employees in Makurdi. The entire staff were purposively used as the sample size of the study. This was done to enhance the robustness of the findings and the extent to which it can be generalized. Simple regression was also used to test the two (2) formulated hypotheses. From the findings, the study revealed that job stress has a significant effect on task and contextual performance of employees in the selected deposit money banks in Makurdi metropolis. The study therefore recommends among others that, banks should help employees to cope with job stress in the following ways: By helping, finding and curing the symptoms of stress through psychological support, encouraging stress-reduction activities, relaxation exercise, counseling and organizing stress-reduction workshops, redefining and clarifying job specification and job description to reduce role conflict, reduce high target, work overload and work-family conflict.*

**KEYWORDS:** *Job Stress, Employees performance, Deposit money banks.*

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## **INTRODUCTION**

In the last twenty years, stress has become a common element in any kind of job and people have to face it in almost every walk of life. Stressful experiences have become part and parcel of living in contemporary society. In almost all human Endeavour's, human beings inadvertently go through some element of stress. Stress has occupied a prominent position in areas such as management, psychological and medical research. Stress as an emotional experience can be a momentary affair. In such cases, the social antecedents of stress are short lived and we may possess the psychological resources to cope and go through the situations without undue disruption of adaptive responses. Stress is something ordinary and an unavoidable fact in anyone's life, caused by many factors either at work, or with the family at home, or at the external environment (Jarinto, 2011). According to Wilton (2011), it affects both the human resources and the management at the same time. This is because; one area that organizations pay less attention to is how to manage their time and workers in order to avoid occupational stress. Without the human factor in the organization, there will be nothing to achieve because the machine and equipment needed to be manned by employees. The creative and innovative tendencies that will drive the organization are made plausible by human effort.

In the age we live in, regardless of the job we do, individuals continue to live most of their lives by forcing their abilities and limits. While individuals are trying to keep up with dynamic and rapid changes in working experience, at the same time, they are trying to meet organizational needs. Various factors, such as relationships, interactions, behaviors, and the quality of management understanding, and experienced in the internal and external environment of the organization can lead employees, who perform specific roles and tasks within the organization, to face job stress (Caral & Dhara, 2016). Although job stress is a situation caused by employees' job and interaction with other individuals/groups. It forces them to deviate from their normal functions. Due to stresses experienced in organizations, results such as decrease in

employee performance, loss of motivation, work slowdown, decrease in productivity and creativity, leave of employment, and even the reduction in the performance of the organization can be observed (Khattak, Khan, Haq, Arif, & Minhas, 2011). The main objectives of organizations are to sustain their lives, to grow, to develop, to increase their profits and productivity and remained competitive (Leka, Griffiths & Cox, 2003). This may be hampered by excessive job stress.

Consequently, an individual in his or her job in bank faces stress. The workplace is potentially an important source of stress for bankers because of the amount of time they spent in their respective banks. Moreover, job stress is said to often decrease employee's performance (Jayashree, (2010) Basically, in banking sector, lack of administrative support from a boss (manager), work overload, time pressure, target, role ambiguity, work and family conflict, riskiness of a job, relationship with coworkers, and work-family balance are some of the causes of job stress that may hampered employee's performance in the banking industry (Harry, 2020; Adim & Akintokunbo, 2018); Monika & Akshay, 2017).

Employee performance is simply the work results based on quality and quantity achieved by employee in doing his or her job. Or it can also be seen as the aggregated financial or non-financial added value by the employees in contributing to the fulfillment of both directly and indirectly to the targeted goals of the organization. Borman and Motowidlo (1993); and Sabine and Michael (2001), identifies employees' performance and distinguishes it between task and conceptual performance. Task performance is seen as how an individual or groups behave with the tasks and responsibilities at their various job places while contextual performance on the other hand is the behaviors that contribute to an organisations effectiveness by providing a good environment in which task performance can occur. More so, Task performance is more prescribed and constitutes in-role behavior, whereas contextual performance is more discretionary. However, studies that, focuses of these basic classes of employee performance are considered to be very scanty in recent times, it is on this premise that this study intend to ascertain whether job stress

affect the performance of bank employees in Nigeria. Specifically, the study seeks to: (a) Examine job stress on task performance of selected Deposit Money Banks in Makurdi metropolis of Benue State. (b) Investigate job stress on contextual performance selected Deposit Money Banks in Makurdi metropolis of Benue State.

## **REVIEW OF RELATED LITERATURE**

### **Conceptual and Theoretical Framework**

**Concept of Job Stress:** Job stress as defined by Sharmilee, Addul and Zubair (2017) is a response of a person via to a new or hostile situation in a working environment, (Walonick 1993). As for William and Huber (1986) stress is a reaction from both psychologically and physically and to internal and external factors of a situation in which the adaptiveness of an individual could be overextended (Ratnawat & Jha 2014). TO Alam, Gouhar, and Shafiqur (2015) as a complex psychological state of mystery, (Akanji, 2015). When the job does not 'marry' with your capabilities or with the right resources, both physical and emotion will react and respond dangerously and that is a symptom of a job stress, (Sauter and Murphy, 2013).

Job stress comes in different form of sources and it plants affection on people in various ways. No doubt, the relationship between the welfare and health of an employee and the physio social part of the job are well-documented (Dollar and Metzger, 1999), unfortunately only limited work has been conducted on the effects of distinctive stressors on an employee performance. Based on the demand-control model (Sushma, 2014) job pressure is one of the important sources of job stress (Jungwee, 2007). What creates the difference between demands and the capability to provide mental security in the family is non-other than job stress (Imna & Hassan, 2015). Ahmed and Ramzan (2013) view job stress can be distinguished either a positive or a negative stress and it depends on the perception of a person between these two forces. It is not common now that work at stress especially is a new phenomenon to the way of our modern living.

**Employee Performance:** Employee performance is also known as job performance or Individual performance. The concept of employee performance has been regarded as one of the most important and widely researched variables within the domain of work and organisational studies (Chiaburu, 2017), this can be attributed to the role of employees as being imperative to the success of any organisational establishment (Bello, 2012; Inuwa, 2016; Alessandri, Borgogni, & Latham 2017). The desire of every business organisation is to get the best out of their employees because of the crucial role employee's play in the overall success of the organisation (Inuwa, 2016). Employee performance is also said to be a multi-dimensional and "very subjective depending on how, why and for whom it's being measured" (Shields et al., 2016). Several researchers have identified certain factors that influence employee performance such as availability of employee training opportunities, organizational climate, Managerial support, dynamic work environment, years of experience and time and presence of job control/autonomy (Bhat & Rainayee, 2016; and

A model of employee performance was developed by Borman and Motowidlo (1993) which categorises employee job performance into task performance and contextual performance which is adopted by this study as measures of employee's performance. **Task Performance** can be referred to as in-role performance. Task performance comprises of the behaviours that are directly or specifically related to the job tasks which can either contribute directly or indirectly to the core of an organization (Borman & Motowidlo, 1993; Bing, Davison, Minor, Novicevic, & Frink, 2011). It is the extent at which an employee carries out their job roles as specified in their job description and an employee simply doing what they have been hired to do. This dimension of performance involves employees performing the roles and responsibilities of their job which is aimed at contributing towards the attainment of the set goals and responsibilities of their respective firm or organization. Although task performance is the core responsibilities of employees however effectiveness of task performance can be influenced by various factors.

On the other hand, **Contextual Performance** can also be referred to as organizational citizenship behaviour, citizenship performance, organizational spontaneity, extra role performance or prosocial organizational behaviour (Brief & Motowidlo, 1986; George & Brief, 1992). Although there are few different terms and labels used in existing literature to describe this construct but there is still a commonality in their definitions which can be summarised as an employee simply going the extra-mile for their organisation that is, voluntarily carrying out tasks outside their formal job requirements but known to be beneficial to their organisation. It is likewise defined as that aspect of an employee's performance that involves activities which are not directly or formally related to job tasks, but which solely contribute to the social and psychological core of an organization (Borman and Motowidlo, 1993; Oluwaseyi, 2021). Examples of this include an employee working extra hours, making useful suggestions to improve one's organisation, relating with others courteously, offering help to colleagues when necessary.

Organisational citizenship behaviour can also be described as roles carried out at the discretion or free will of an employee (Van Scotter, 2018). They are mainly actions undertaken out of the volition of an employee and would not bring about sanctions if such employees discontinues such actions in the short or long run, these actions however contributes positively to the organisations but they do not attract any form of pay or not recognised by the reward system. Activities that constitute contextual performance are much more similar across jobs unlike task performance.

**Expectancy Theory:** The Expectancy theory was propounded by Victor Vroom in 1964. The Expectancy theory is founded on the understanding that people derive motivation from the belief that through their performance, they will achieve their desired outcomes in form of rewards. Vroom (1964) proposed expectancy theory to explain the decision-making process of individuals based on behavioral alternatives. Manolova, Brush, Edelman, and Shaver (2012) expressed expectancy theory as follows: Motivation

$$\text{Force} = \text{Expectancy} \times \text{Instrumentality} \times \text{Valence} (1)$$

Because expectancy theory is a useful framework for assessing, interpreting, and evaluating employee behavior in relation to attitude formation and decision making (Nasri, 2012), expectancy theory is a useful tool for examining aspects of workplace stress.

### **Empirical Studies Reviewed**

Harry (2020) examined the effect of job stress and employee performance in public schools in USA. The study adopted Qualitative research approach where data for the period of six years 2014-2019 were analysed using regression analysis. Findings revealed that job stress bears a positive and significant influence on employee performance. The study recommended that Management should design tasks and jobs in ways that would make for effectiveness and efficiency and bring about improvement in the performance of their workforce.

Pandey (2020) also examined the effect of Work stress and employee performance: an assessment of impact of work stress in Nepal. Descriptive research design was employed. Data for the period of one year were collected and analysed using and SPSS. The results showed that everyone that experiences some forms or components of job stress significantly decreases their performance. The study recommends that manager should proactively envisage job stressors and immediately develop organizational structure, job design and even allocating the duty, so they'll cut the work load, improve in poor communication, and simultaneously manage the stressors, thus, increasing the performance of the workers.

Chukwuemeka, Nwakoby & Onwuka (2019) examine the effect of Work stress and staff performance in selected banks in Anambra State, Nigeria. The study adopted descriptive survey design where primary source of data collection was used to obtained data from the field for the period of only one year. Chi-square test statistic was adopted to analysed the collected data. Findings revealed that there is a positive relationship between working time and performance of bank staff. Findings also revealed that, there is no significant relationship between leadership and performance of bank staff.

Nana, Kwesi, Isaac & Augustina (2018) carried out an Investigation of the Impact of Occupational Stress on Employee Performance for the period of three years: Evidence from the Ghanaian Banking Sector in Ghana. Exploratory and regression analysis were used as research design and technique of data analysis. Findings revealed that occupational stress had a negative significant relationship with employee performance. The study recommended that, it is important to formulate comprehensive strategies for stress management.

**METHODOLOGY**

The study adopted descriptive survey design. The population of this study consist of all employees of the three selected banks (First bank Plc, Access Bank Plc and Guaratee trust bank Plc) with a total staff strength of three hundred and fifty-six employees (356) that was consequently used as the sample size for the study. Data was majorly collected from a primary source using questionnaire designed in 5-point Likert Scale of Strongly disagree (1) to strongly agree (5). Regression analysis was used to analysed the collected data on task and contextual performance and on the overall job stress variables with the help of SPSS.

**Validity and Reliability of the Instrument**

Construct validity for each item was done to measure Exploratory Factor Analysis (EFA). This was done to ensure consistency in the measurement of the items. The result of the Bartlett’s Test of Sphericity at 1% level of

significance showed that the items were highly significant (p<0.000). the result of KMO measure of sampling adequacy was .729 with Approxi. Chi-square = 1089.886 and Sig = .000. The pilot test on instrument was done at 1/3 of the sample size (0.33x356 = 118). This is necessary to ensure the consistency of the results and the Cronbach’s Alpha for each of the constructs was greater than 0.70. This implied that all the constructs were reliable and so will be used in the study.

**Model Specification**

Model specification helps in testing the correlation existing among the concept under investigation. As a result, linear regression model was formulated to guide the researcher in carrying out his investigation.

Employee Performance (EP) = F Job Stress (JS)

TP =  $\beta_0 + \beta_1JS + \epsilon$  .....(1)

CP =  $\beta_0 + \beta_1JS + \epsilon$ .....(2)

Where: TP = Represents Task Performance.

CP = Contextual Performance. JS = Job Stress

$\epsilon$  = is error term.  $\beta_0$ = the regression constant

$\beta_1$  = coefficient for the independent variables (Job Stress)

**RESULTS AND DISCUSSION**

**Test of Hypotheses**

The hypotheses were tested using regression derived from SPSS output. The results of the regression is hereby presented in this subsection in respect to the two models of the study.

**Model 1**

**Table 4.1: Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.865 <sup>a</sup>	.749	.748	4.670	.749	896.901	1	301	.000	2.556

a. Predictors: (Constant), Job Stress

b. Dependent Variable: Task Performance

Source: SPSS Output

Table 4.1 presents the model summary result between the dependent variable: job stress and task performance. From the model summary above, the following statistics are explained.

The R-value of 0.865 showed that, there is a strong and positive relationship between task performance and job stress. The R<sup>2</sup> stood at 0.749. The R<sup>2</sup> otherwise known as the coefficient of determination shows the

percentage of the total variation in the dependent variable attributed to the independent variable. This further implied that the 74.9% of the variation in the task performance of selected deposits money banks in Makurdi metropolis can be explained by a variation in job stress while the remaining 25.1% (i.e.  $100-R^2$ ) could be accounted by other variables not included in this model. This indicated a high contribution of the predictor variable on the dependent variable. Furthermore, the adjusted  $R^2$  of 0.165 indicated that even if the entire population was considered in this study, the result would deviate only by 0.1% (i.e 74.9-74.8%) from this present result. This result revealed that task performance in the selected deposit

money banks in Makurdi is attributable to job stress.

Nevertheless, the Durbin-Watson statistical test for autocorrelation in the regression model revealed a value of 2.556 showing a positive autocorrelation. A rule of thumb is that Durbin-Watson test statistics values in the range of 1.5 to 2.5 are relatively normal. The Durbi-Watson value is slightly higher than the normal range. This means that there was an autocorrelation among the measures. The Durbin-Watson statistic will always have a value ranging between 0 and 4. A value of 2.0 indicates there is no autocorrelation detected in the sample. Values from 0 to less than 2, point to positive autocorrelation and values from 2 to 4 mean negative autocorrelation.

**Test of Hypotheses One:** *H<sub>01</sub>: Job stress has no significant effect on task performance of employees in selected deposits money banks in Makurdi metropolis*

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

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.716	.976		4.833	.000
Job Stress	.354	.012	.865	29.948	.000

a. Dependent Variable: Task Performance

**Source: SPSS Output**

The regression result as presented in table 4.2 above to determine the effect of job stress on task performance of selected banks in Makurdi metropolis. The table showed that when job stress is held constant, task performance variable is estimated at 4.716. However, the independent variable: job stress reflected a beta coefficient of 0.865. This thus indicated that a unit change in job stress will lead to a significant increase in task performance by

0.865 units. Given that the standardized beta coefficient is 0.865 with a significant value of 0.000 (see table 4.3) which is less than the 5% level of significance, the researcher therefore rejected the null hypothesis and accepts the alternative hypothesis. Thus, it was concluded that job stress has significant effect on task performance of employees in the selected deposits money banks in Makurdi.

**Model 2**

**Table 4.3: Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.842 <sup>a</sup>	.709	.708	4.671	.709	731.882	1	301	.000	2.221

a. Predictors: (Constant), Job Stress

b. Dependent Variable: Contextual Performance

**Source: SPSS Output**

Table 4.11 also presents the model summary result between the dependent variable: job stress and contextual performance. From the

model summary table above, the following statistics are explained. The model showed a positive and strong relationship between



contextual performance and job stress by revealing R-value of 0.842. The R<sup>2</sup> value of 0.709 implied that the 70.9% of the variation in the contextual performance of employees in selected deposits money banks in Makurdi metropolis can be explained by a variation in job stress while the remaining 29.1% (i.e. 100-R<sup>2</sup>) could be attributed to other factors. This indicated a high contribution of the predictor variable on the dependent variable as well. Nevertheless, the adjusted R<sup>2</sup> of 0.708 indicated that even if the entire population was considered in this study, the result would deviate only by 0.1% (i.e 70.9-70.8%) from this present result. This result revealed that

contextual performance of employees in the selected deposit money banks in Makurdi is significantly attributable to job stress. Here, the Durbin-Watson statistical test for auto-correlation in the regression model revealed a value 2.221 which is within the range of 1.5 to 2.5, thus implying a positive auto correlation. A rule of thumb is that Durbin-Watson test statistics values in the range of 1.5 to 2.5 are relatively normal.

*Ho2: Job stress does not have a significant effect on contextual performance of employees in selected deposits money banks in Makurdi metropolis.*

**Table 4.4: Model 2 Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	6.941	.976		7.112	.000
Job Stress	.319	.012	.842	27.053	.000

a. Dependent Variable: Contextual Performance

Source: SPSS Output, 2021

The regression results as presented in table 4.4 showed that when job stress is held constant, contextual performance variable is estimated at 6.941. However, the independent variable: job stress reflected a beta coefficient of 0.842. This means that a unit change in job stress will lead to a significant increase in contextual performance by 0.842 units. Given that the standardized beta coefficient is 0.842 with a significant value of 0.000 (see table 4.4) which is less than the 5% level of significance, the researcher therefore rejects the null hypothesis and accepts the alternative hypothesis and concluded that job stress has significant effect on contextual performance of employees in the selected deposits money banks in Makurdi metropolis.

**Discussion of Findings**

The study was conducted to investigate the effect of job stress on employee performance hence the researcher discussed the findings in the study and how it aligned with previous studies.

**Job Stress and Task Performance**

The standardized beta coefficient at 5% level of significance was applied to establish whether job stress has significant effect on

employees’ task performance in selected deposits money banks in Makurdi metropolis. The findings revealed a standardized beta coefficient of 0.865 with a significant value of 0.000, which was less than the level of significant at 0.05 (t=29.948, P<0.05). The researcher rejected the null hypothesis and concluded that job stress has a significant effect on task performance. This implies that job stress is fundamental factor that affect performance and should be given maximum attention. This finding coincided with the findings of Nuray and Sahidur (2012). Who conducted their study on the impact of stress on task performance and found that stress has a significant influence on employees’ task performance? The result of this study gives support for the assumption that job stress must be managed to improve task performance of the employees of the selected banks in Makurdi metropolis. More so, the current findings is also consistent with that of Munir, Abdulrahman and Nasiru (2020) who study also found that job insecurity has a significant effect on tax performance of employee. More so, the finding is similar to that of Novika and Dian (2020) whose study also found that work stress like control and support colleagues significantly affect task performance.



### Job Stress and Contextual Performance

The standardized beta coefficients of -0.316 at 5% level of significance in hypothesis two revealed that job stress has a significant effect on contextual performance. From the findings, it revealed a significance value of 0.000 less than the level of significant at 0.05 ( $t=27.053$ ,  $P<0.05$ ) which therefore led to the rejection of the null hypothesis. This finding here implies that job stress as revealed is one of the factors that can affect performance in organizations especially, the banking sector. This finding authenticates that of Munir, Abdulrahman and Nasiru (2020) who study found that job insecurity has a significant effect on contextual performance. The finding also coincides with that of Novika and Dian (2020) who conducted theirs on the role of work stress on individual work performance and found that controlling and supporting colleagues significantly affect contextual performance. While for counterproductive work behavior, role and change had positive impact on the behavior indicating that different work performance is related to different types of work stress.

### Conclusion and Recommendations

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# **Globalization And Consumer's Goods Sector In Nigeria**

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## **Introduction**

### **1.1 Background of the study**

In recognition of globalization as the bedrock for economic development, Consumers have more purchasing choices now days than ever before due to the globalization movement. Globalization has opened new channels for consumers. It has made variety of goods services, product and technology available to the consumers. Vredevel, and Coulter, (2019). Consumer goods are products bought for consumption by the average consumer. Alternatively called final goods, consumer goods are the end result of production and manufacturing and are what a consumer will see stocked on the store shelf. Clothing, food, and jewelry are all examples of consumer goods.

Consequently, the desire for a more attractive, modern lifestyle, looking for convenient products is added to the behaviour of consumers by the globalization process (Mazurek-Łopacińska, 2013). McDonald (2012) claims that mass culture "is a dynamic, revolutionary force that eradicates class divisions, tradition, taste and blurs cultural distinctions", which means that it has significant impact on the development of consumers' behaviour, their lifestyles and preferences (Michałowska & Danielak, 2015). Globalization and accompanying changes and trends are visible in the sphere of consumption mainly through initiating new forms of consumption and consumption behaviours, creating new products, new sales places and new needs, changing the ways of consumption, trends and lifestyles, increasing in consumer activity on the market, as well as increasing competitiveness and entrepreneurship of consumers (Włodarczyk, 2015).

According to WHO, globalization can be defined as "the increased interconnectedness and interdependence of peoples and countries." It is generally understood to include two inter-related elements: the opening of international borders to increasingly fast flows of goods, services, finance, people and ideas; and the changes in institutions and policies at national and international levels that facilitate or promote such flows."

According to the Committee for Development Policy (a subsidiary body of the United Nations), from an economic point of

view, globalization can be defined as: the increasing interdependence of world economies as a result of the growing scale of cross-border trade of commodities and services, the flow of international capital and the wide and rapid spread of technologies. It reflects the continuing expansion and mutual integration of market frontiers and the rapid growing significance of information in all types of productive activities and marketization are the two major driving forces for economic globalization."

The Internet has opened new opportunities for browsing from the comfort of home, office, train, bus and there are products available from all over the world. Globalization means the speedup of movements and exchanges (of human beings, goods, and services, capital, technologies or cultural practices) all over the planet. One of the effects of globalization is that it promotes and increases interactions between different regions and populations around the globe. Yazıcıoğlu, (2010).

Wills, Samli, and Jacobs, (2014) study on 'Developing Global Products and Marketing Strategies defined globalization as the growth on a worldwide scale. It is the process of integration and international influence of economies and cultures. Globalization is not only an exchange of goods, but also an exchange of ideas and even anti-terrorist protections. There are seven major types of globalization according to Krishna and Bharti (2017) namely;

Financial globalization, economic globalization, technological globalization, political globalization, cultural globalization, sociological globalization, ecological globalization and geographical globalization

### **1.2. Historical View**

Globalization is not new. Since the start of civilization, people have traded goods with their neighbors. As cultures advanced, they were able to travel farther afield to trade their own goods for desirable products found elsewhere. The Silk Road, an ancient network of trade routes used between Europe, North Africa, East Africa, Central Asia, South Asia, and the Far East, is an example of early globalization. For more than 1,500 years, Europeans traded glass and manufactured goods for Chinese silk and spices, contributing to a global economy in which both Europe and Asia became accustomed to goods from far

away. Following the European exploration of the New World, globalization occurred on a grand scale; the widespread transfer of plants, animals, foods, cultures and ideas became known as the Columbian Exchange. The Triangular Trade network in which ships carried manufactured goods from Europe to Africa, enslaved Africans to the Americas, and sent raw materials back to Europe is another example of globalization.

The resulting spread of slavery demonstrates that globalization can hurt people just as easily as it can connect people. The rate of globalization has increased in recent years, a result of rapid advancements in communication and transportation. Advances in communication enable businesses to identify opportunities for investment. At the same time, innovations in information technology enable immediate communication and the rapid transfer of financial assets across national borders. Improved fiscal policies within countries and international trade agreements between them also facilitate globalization. Political and economic stability facilitate globalization as well. The relative instability of many African nations is cited by experts as one of the reasons why Africa has not benefited from globalization as much as countries in Asia and Latin America.

### **1.3. Concept of globalization**

Globalization as an economic concept is the opening of local and nationalistic perspective to a boarder outlook of an interconnected and interdependent world, with free transfer of capital, goods, services, technologies across national frontiers. Many economists have observed that globalization may lead to a “one-world government,” which consists of a centralized government for all nations. Thompson, and Arsel, (2014).

Globalization is begun in the latter part of the 20th century. Southeast Asia embraced the free-market system, trade barriers were dismantled and free trade allowed competition to spread around the world. Vikas, Varman, and Belk, (2015). The benefits of globalization have been an increase in product variety for consumers, lower prices and improved quality of products.

Globalization affects all sectors of activity to a greater or lesser extent. By doing so, its gap with issues that have to do with sustainable development and corporate social responsibility. By promoting large-scale

industrial production and the globalized circulation of goods, globalization is sometimes opposed to concepts such as resource savings, energy savings or the limitation of greenhouse gases. As a result, critics of globalization often argue that it contributes to accelerating climate change and that it does not respect the principles of ecology. At the same time, big companies that don't give local jobs and choose instead to use the manpower of countries with low wages (to have lower costs) or pay taxes in countries with more favourable regulations. Moreover, the ideologies of economic growth and the constant pursuit of productivity that come along with globalization, also make it difficult to design a sustainable economy based on resilience.

On the other hand, globalization is also needed for the transitioning to a more sustainable world, since only a global synergy would really be able to allow a real ecological transition. Issues such as global warming indeed require a coordinated response from all global players: fight against CO2 emissions, reduction of waste, a transition to renewable energies. The same goes for ocean or air pollution, or ocean acidification, problems that can't be solved without global action. The dissemination of green ideas also depends on the ability of committed actors to make them heard globally.

Globalization has been a boon to businesses, consumers and the Western economy as a whole. Now, however, we are at risk of having a backlash against globalization and all the opportunities that increasing economic freedom has provided us with over the past decades. There is a new anxiety running through Western societies that challenges previous perceptions about freer trade as a win-win for every country. There is rather a proliferating suspicion that globalization may have been great for some countries, but not for others, and that it is affluent countries in the West that have drawn the shortest straw.

In the worldview of U.S. President Donald J. Trump, “other countries have taken advantage of America” and these types of opinions feed on growing doubts about globalization delivering better living standards for people in Western economies. Such arguments often start in China's remarkably fast trade growth since the late 1990s, and it

concludes that, while the period from then to now obviously has raised living standards in China and other emerging economies, it has happened at the expense of blue-collar workers in developed economies. China, in other words, hollowed out the manufacturing sector in Europe and North America. For some, that is also the main source of political anger in the West: recent revolts in European and American elections have been the way for “the losers of free trade” to avenge the faults of the “pro-globalization establishment”.

There are deep flaws in this view of globalization. The chief one is that established fact and known economic patterns don't support skepticism about the benefits of trade and cross-border investment. While open economies always are subject to new competition and structural changes that affects firms and jobs, the flip side of the coin is that the same economic processes create a lot of new jobs and business opportunities, and – ultimately – improve the living standards. Moreover, the new jobs that are created tend to be better rewarded and come with better working conditions. New output is often greener and thrive on new technology, leading to positive change also outside the economy.

#### **1.4. Statement of the problem**

The problem of the study lies in the examining of imperative of globalization on consumer's goods sector. Globalization of production has influenced the world of work in ways not seen before. While some impacts have been positive from the point of view of workers, others have given rise to serious concerns. On the positive side, new employment opportunities hitherto unknown in many developing countries have opened. Wallerstein, (2020).

On the other hand, serious pressure on the working class has come through the stagnation of real wages and adverse workplace conditions. Rizwanul, (2015). Apart from all the benefits globalization has had on allowing cultural exchanges it also homogenized the world's cultures. That's why specific cultural characteristics from some countries are disappearing. From languages to traditions or even specific industries. That's why according to UNESCO, the mix between the benefits of globalization and the protection of local culture's uniqueness requires a careful approach.

Despite its benefits, the economic growth driven by globalization has not been done without awakening criticism. The consequences of globalization are far from homogeneous: income inequalities, disproportional wealth and trades that benefit parties differently. In the end, one of the criticisms is that some actors (countries, companies, individuals) benefit more from the phenomena of globalization, while others are sometimes perceived as the “losers” of globalization. As a matter of fact, a recent report from Oxfam says that 82% of the world's generated wealth goes to 1% of the population. Üstüner, (2015).

#### **1.5. Purpose of the study**

This study was designed to examine the imperative of globalization on consumer's goods sector. To successful carried out this, different literature were review.

#### **2.0 Literature Review**

Krishna Gupta and Kavita, (2017) study on Globalization and the Consumer found out that globalization has opened new channels for consumers. The main object of their study is was to the find out the true sense of globalization and consumer and to know "how does globalization affect consumer and the rights given to consumer to protect them from negative effect of globalization.

The findings of the study shows that globalization is just like two sides of one coin. It affect consumer both positively and negatively. It provides an opportunity to solve some consumer problems and some time it is been reason for exploitation.

Rajagopal (2013), study on globalization and consumer behaviour. in: managing social media and consumerism conclude that globalization may be described as the combined influences of trade liberalization, market integration, international finance and investment, technological change, the increasing distribution of production across national boundaries, and the emergence of new structures of global governance.

The global marketplace, equipped with the application of global communications, has become the focus of the global business arena, which keeps the world markets open and competitive practices fair. At the same time the antiglobalization movement is also developing, protesting against the hazards of suppressive strategies used by global companies, which affects regional trade



entities. Contemporary trends in globalization and corporate responsiveness to increasing competition suggest that globally integrated strategies are largely customer-centric and supported by the consumer consensus on marketing policies for many industries. The social media-based firm-level model explains corporate responsiveness in reference to industry trends from economic perspectives and organizational behaviour. The mass markets represented by the large consumer segment exhibit high potential for firms to sustain the market completion. Thus, firms should stay consumer-oriented and build their foundation on the social networks in order to develop interactive marketing platforms. This would help firms not only to develop consumer loyalty but also to enhance their market share of this large demographic segment

Rizwanul, (2015), conducted research on globalization of production, work and human development. The study found out that economic globalization involves trade, capital flows and the movement of labour, and an important element in that process is the globalization of production. With the gradual dismantling of trade barriers, and capital flows becoming easier, globalization of production has flourished. According to him, it is no longer necessary to produce goods in one location. Even though a product may bear the mark of being produced in a particular country, its components may come from different locations. Particularly for high-tech products, research and development (R&D) is usually carried out in developed countries, components are made in different countries depending on their competencies, and the final assembly takes place in another country. This approach is also used for labour-intensive goods such as garments, shoes, etc.

Hanson, (2021), also carried out a study on the globalization of production. The objectives of the study were to know the importance of globalization on production of consumer goods and how these new aspects of globalization affect labour markets, industry structure, and industry location in national and regional economies. It was discovered that with the gradual dismantling of trade barriers, the capital flows becoming easier, globalization of production. This means that it is no longer necessary to produce goods in one location.

Hanson also concluded that globalization is transforming the ways in which nations interact. National economies become integrated as the flow of goods and capital across borders expands. In standard theoretical models, a fall in trade barriers or transport cost triggers an increase in trade between producers in one country and consumers in another country. According to him, firms are more able to fragment their operations internationally, locating each stage of production in the country where it can be done at the least cost, and transmitting ideas for new products and new ways of making products around the globe.

Tejvan, (2021), carried out a study on what caused globalisation. The main object of their study was to *evaluate the significance factors which have contributed to globalisation. It was discovered that globalisation is not a new phenomenon.*

Kaplan, Herb, (2011) study on 'How Geography Shapes National Identities' found out the world economy has become increasingly interdependent for a long time. However, in recent decades the process of globalisation has accelerated; this is due to a variety of factors, but important ones include improved trade, increased labour and capital mobility and improved technology.

Zahra, Fleura, Marius & Luedicke (2019), study on How globalization affects consumers insights from 30 years of CCT globalization research conclude that globalization affects consumers and it is a key concern of international marketing research. Consumer culture theory (CCT) studies contribute to this stream of research by critically examining how globalization affects consumers under different cultural conditions. The study offers a systematic narrative synthesis of 30 years of CCT globalization research to gain perspective on this important stream of research. The study also identifies three theoretical perspectives that is, homogenization, globalization and deterritorialization as its shaped the ways in which CCT scholars have approached globalization phenomena. The study discusses each perspective with regard to its underlying notion of culture, its assumptions of power relations between countries and the role that it ascribes to individuals in globalization processes. The study problematizes these perspectives and show how CCT research has

challenged and extended each perspective, focusing specifically on consumer empowerment, consumer identity and the symbolic meaning of global brands as substantial domains. Lastly, it's also discussed avenues for future consumer cultural globalization research.

Izberk-Bilgin, (2012) concluded that the rise of globalization can be directly attributed to advances in technology. "Nowadays, globalization is more comprehensive than in the past. This is due to its dynamism imposed by new technologies, which allow the further attainment of various fields of life through a faster rhythm. Before, the ideas and technologies needed centuries to extend to the whole world.

However, today this can be accomplished in just a few seconds. With the help of the new communication means, new ideas can get around the world in just a few moments".

Kjeldgaard and Askegaard, (2016) notes that "fair trade gives consumers an opportunity to exercise a moral choice in their own purchasing practices. This is most true in the developed world, but is increasingly becoming an option in local markets in developing countries too. The regular purchase of fair-trade items can act as a powerful reminder and reinforcement to the individual of the importance of their commitment to promoting economic justice."

The ability to base purchase decisions on moral bases arises out of the options that freer trade brings according to this author because, with more products available, the awareness of some consumers' increases. François, (2019), Strizhakova, Coulter and Price, (2018) concluded that different people belong to different culture. They may differ in term of tradition, religion, economic, way of life, ethnicity, race, customs and colors etc. it is something which people gain through social interaction. Similarly, culture is any information which is not inborn but gain through social life. It is learned through education and socialization. Globalization has strong effect on culture and ultimately has effect on consumer buying behaviour.

Jain, (2015) study on globalization and its Impact on Consumer Culture and Competition Policy conclude that the change in the global regulation of economy is evident and apparent. The invasion of market-oriented system over the laissez faire policy is accepted

on 'the premise that the unrestrained interaction of competitive forces will yield the best allocation of our economic resources, the lowest prices, the highest quality and the greatest material progress.' In any market economy consumers are central to the Government, Producer, and Retailers.

The competition policy across the globe is paid heightened attention at both the national and the international level. Consumerism is likely to dominate the Indian market in the next millennium, thanks to the economic reforms ushered in and the several agreements signed under the World Trade Organization. Izberk-Bilgin, (2012).

Holt, (2012) study on 'Why do Brands Cause Trouble? Maintain that globalization on consumer good as transition will be from a predominantly "sellers' market" to a "buyer's market" where the choice exercised by the consumer will be influenced by the level of consumer awareness achieved. The players are the consumers represented by different voluntary non-government consumer organizations, the Government, the regulatory authorities for goods and services in a competitive economy, the consumer courts, organizations representing trade, industry and service providers, the lawmakers and those in charge of implementation of the laws and law.

[Mariola](#) and [Wiesław](#) (2015), study on the Impact of Globalization on Consumer Behavior in Lubuskie Province in the Light of the Research conclude that the development of market economy, the continuing process of globalization, technological progress, and rising living standards have created a kind of consumer culture in which people strive to best meet their needs. Undoubtedly, mass culture influences the development of consumer behavior, their preferences, lifestyle. Currently, there is no single common position on how purchasing decisions are determined by global trends, and to what extent they are the result of cultural conditioning. The main objective of the study was to identify and evaluate the effects of consumption on global trends in consumer behavior and an indication of the factors that are crucial in consumers' purchasing decisions in Lubuskie province. In this study they have used an analysis of the literature and the results of a survey conducted among respondents in Lubuskie province.

## **2.1 Summary**

1. Globalization has boosted output in the Western economy.
2. Globalization has enabled firms to specialize – and to increase the intensity of Research and Development, innovation and capital in their output.
3. Globalization has made it easier for new companies to start competing with old incumbents.
4. The trade sector has increased the number of people that it employs, both through exports and imports.
5. Globalization has raised household income.
6. Globalization helped to reduce high inflation rates in Western economies, giving consumers more “bang for the buck”.
7. Globalization has increased real wages by lowering the cost of consumption.
8. Many goods that previously were affordable to only the few – e.g. a mobile phone or sewing machine – are now common in most households.
9. Globalization has given economies and people new opportunity.
10. Globalization has spurred the spread of new technology, helping to make economies greener and more productive.
11. Globalization has helped to reduce gender wage discrimination and giving new opportunities to women.
12. Globalization has improved the quality of management in firms and the working conditions for people.

## **2.2 Conclusion**

The positive effects of globalization on consumer goods are numerous. Due to globalization whole world has become a small village. Its opened new market for consumer's. It's easy for consumer to buy any product that is not available in their country. One biggest benefit of this globalization has been an increase in product variety for consumers. Hanson, (2021)

Hu, Whittler and Tian, (2013) suggested that internet has opened new options for consumer for browsing from home, office, bus or train, with products available worldwide. Consumers can quickly get product and services by anywhere. Globalization has brought multiple producers and corporations competing for their own stake in the economy. This is a benefit to the consumer as the quality of goods and services should increase and price of product are decrease as a result.

Kamarulzaman, Veeck and Mumuni, (2015) study on ‘Religion, Markets, and Digital Media Seeking Halal Food in the US’ found out that imperative of globalization on consumer goods has promoted to an increase in the consumption of products and that has impacted the ecological cycle. It Increases consumption rate which interns increase production of goods and reduces stress on the environment.

Holt, Quelch, Taylor, (2014) study on ‘How Global Brands Compete concluded that globalization promoted the transportation of raw materials and food from one place to another place in the world. Before globalization, people used to consume locally-grown food but now people can eat consumer goods from any part of the world.

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# External Environmental Factors And The Performance of Access Bank Plc: The Nexus

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## ABSTRACT

*The study investigated the influence of external environmental factors on the performance of Access Bank Plc. Specifically, it examines the effect of economic and technological factors on the performance of Access Bank Plc. The study utilized the survey method. A sample size of 226 was obtained using Krejcie and Morgan sample size determination table from a population of five hundred and eighty-two (582). Structured questionnaire was used to obtain data from respondents. Construct and face validity were used to establish the validity of measurements. The analysis was based on 196 copies of returned questionnaires representing 87%. Descriptive statistic, the Jacque Bera normality test, Correlation and OLS multiple regressions were used to analyze the data. Findings revealed that economic and technological factors have significant and positive relationship with the performance of Access Bank Plc. The study concluded that that environmental factor is a significant predictor of the performance of Access Bank Plc and that not all external environmental manifestations negatively impact organizational activities. The study recommended the need for government and various policy makers to put in place policies that will improve the economic condition surrounding the banking industry as it will further strengthen customers' trust and build confidence in the financial sector in the country. It also recommends that prompt knowledge of new technologies be adapted by the bank as it will go a long way in enhancing quality service delivery and customer satisfaction.*

**Keywords: External Environment, Performance, Access Bank Plc.**

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## **INTRODUCTION**

The environment in which businesses exist in the 21<sup>st</sup> century has become increasingly multifaceted, dynamic and complex due to technological advances, globalization and well-informed customers. Given the fact that no business exists in a vacuum, it is imperative for a company to be fully aware of what factors exert impact on its activities and operations. Some factors influence the performance of business directly while some other factor influence is only indirect. Muiruri (2012) noted that the factors in the environment can either produce positive or negative effects depending on the resources available at a company's disposal, the magnitude and level of control of these factors. Nonetheless, it is essential for companies to be prepared and proactive by analyzing trends and future outlook in the environment. This can be achieved through the development of sound strategic plans to take advantages of environmental opportunities while cushioning adverse effect of environmental threats.

Environmental factors that determine the performance of an organization are basically divided in two main categories, the internal factors and external factors. The internal determinants are within the control of management and include factors such as liquidity, investment in securities, loans, non-performing loans, overhead expenditure, organizational resources, and components of the marketing mix, organizational culture, employee composition and recruitment policy. Other determinants such as savings, current account deposits, fixed deposits, total capital and capital reserves, and money supply also play a major role in influencing the profitability. Similarly, external determinants include those factors which are beyond the control of management of these institutions such as cultural, social, economic, technological, legal and demographic factors among others.

Over the decades, the banking industry has undergone remarkable transformation due to internal and external factors, including business model transformation, adoption of advanced technologies, and changing regulatory environments, among others. The modern banking sector is a highly complex ecosystem, where stakeholders of different backgrounds— internet, tech companies,

startups—play an increasingly influential role. Chidozie and Ayadi (2017) stressed that the Nigerian banking industry has been fraught with major macroeconomic shocks since the post July 2004 National Economic Empowerment and Development Strategy (NEEDS) programme which sought amongst other things to, re-capitalize financial institutions, develop a competitive and healthy financial system capable of supporting economic development, address incidences of systemic distress in the financial sector, amongst other things. This led to increase in minimum capital requirement for banks in Nigeria from minimum capital of N25 billion from N2 billion with full compliance period of 18 months (July 2004 – December, 2005).

The banking industry plays a vital role in an economy by channeling idle funds from the surplus units to the deficit units particularly business enterprises for the purpose of expanding productive capacity for economic growth and development (Saona, 2011). This main function of deposit mobilization and credit extension is to lubricate the gears facilitating economic operations (Sumaila, 2015; Udom & Onyekachi, 2018). In operating the payment mechanism, the banking system liability serves as a medium of exchange. In execution of monetary policies, banks serve as agents through which the nation's monetary policies are implemented. Despite the facts that the banking industry affects every facet of a nation's economic activities it is subservient to some exogenous and endogenous factors that impinges on their ability to meet stated objectives which goes a long way in determining performance and long term survival.

Organizational performance is a concept that is viewed from different perspectives. In simple terms, Richardo (2001) conceptualized it as the ability of the organization to achieve its goals and objectives. However, as it relates to the banking industry the universal measure of performance is mostly viewed as profitability ratios such as (Profit margin, return on assets return on equity, and return on sales). On the other hand, Hoque (2005) asserts that banking performance is viewed as a result more from superior execution, than from structural competitive barriers. Banks, therefore, should put greater emphasis on addressing all the non-

financial dimensions strategically allied with banks' overall mission and vision.

The performance of banks has been a subject of keen interest in economic literature due to the vitally important role they play in an economy. A plethora of studies have been conducted to investigate the factors responsible for the performance of banks both in developed and developing economies around the world (for instance, Ani, Ugwunta, Ezeudu & Ugwuanyi, 2012; Çekrezi, 2015; Heikal, Khaddafi & Ummah, 2014). However, a thorough examination of these studies reveals that focus is usually on financial measures such as liquidity, capital adequacy, interest rate, return on asset, and net interest margin. This implies that not many researchers have been interested in the non-financial dimensions of performance measurement in banking and financial institutions. The distinctiveness of this industry is that it is highly concentrated on financial data and therefore its performance measurement system is intensively made up of financial indicators and ratios (Marie, Ibrahim & Al- Nasser, 2014).

Akter, Hoque and Chowdhury (2016) contend that for the banking industry to successfully develop further, it is of critical importance to consider non-financial dimensions that determines performance. It indicates that there is a lack of evidence on when and how non-financial measures improve organizational performance. Against this backdrop, this research is directed to fill in some gaps in the knowledge of non-financial indicators and performance measurement practices used by banking and financial institutions in an emerging economy like Nigeria. To this end, the study empirically investigates the influence of external environmental factors as proxied by economic and technological factors on qualitative measurement of performance of Access Bank Plc.

### **Statement of the Problem**

The unprecedented and ever-evolving environmental forces that businesses contend with in this present day have made it difficult for any company, irrespective of the industry, to thrive and achieve their short and long term corporate objectives. New technologies, sophisticated customers, globalization, economic depression, industry convergence

and most recently, Covid-19 and other factors have collectively upended the business environment and given many Chief Executive Officers a deep sense of unease.

Over the years, the operational and structural inadequacies that have characterized the Nigerian banking industry have necessitated the need for several reforms over time. Gidigbi (2017) noted the five phases of banking reforms in Nigeria. However, in spite government intervention, regulatory and supervisory role through the Central Bank of Nigeria (CBN) and other related agencies, banks have continually struggled with declining operating profitability, sluggish credit growth, fast asset quality deterioration and weak capitalization putting increasing pressure on their credit profile. For instance, the decision of the CBN in consultation with Nigeria Deposit Insurance Corporation to address Skye Bank's distress via the establishment of Polaris Bank has not yielded much effort. This is because CBN in its recent review of commercial banks performance revealed that three commercial banks failed to meet its minimum liquidity ratio of 30% in 2018 (Ojekunle, 2019). It stands to reason then that the issue seems to lie within some environmental factors which have not been taken into cognizance.

Based on observation, it is becoming more common in the Nigerian banking sector where banks that seem to be performing well in previous years as stated in their published financial statements all of a sudden find themselves in distressing situations. This seems to suggest that financial measures of performance only account for one side of the coin in the indicators of organizational performance. Hence, non-financial performance measurement may provide sound explanations for this phenomenon.

Furthermore, banks seem to be at the whims of economic factors such as inflation rates which can devastate profitability prospects of banks due to its effect on the value of currency. It is worthy to note that Nigerian banks have been experiencing problems associated with a persistent slowdown in economic activities, severe political instability, rapidly changing customer tastes and demands, influx of modern technology, virulent inflation, worsening economic financial conditions of their corporate borrowers and increasing incidences

of fraud and embezzlement of funds. Another major issue banks have had to contend with is inconsistency in monetary and regulatory policies. The surveillance and regulatory measures of the CBN have unfortunately been unable to keep to the pace of rapid change in the global financial system. It is based on the foregoing that this study seeks to examine the influence of external environmental factors on organizational performance in Access Bank Plc.

### **Objectives of the Study**

The broad objective of this study is centered on the influence of external environmental factors on the performance of Access Bank Plc. To achieve this broad objective, the specific objectives are to:

- i. Examine the effect of economic factors on the performance of Access Bank Plc
- ii. Ascertain the effect of technological factors on the performance of Access Bank Plc

### **Research Questions**

- i. What is the effect of economic factors on the performance of Access Bank Plc?
- ii. How does technological factor affect the performance of Access Bank Plc?

### **Research Hypotheses**

To guide data collection and analysis, the researchers made conjectural statements about the expected relationship of the research variables as follows:

H<sub>01</sub>: Economic factors have no significant effect on the performance of Access Bank Plc.

H<sub>02</sub>: Technological factors have no significant effect on the performance of Access Bank Plc.

## **LITERATURE REVIEW**

### **External Environment**

The external environment of an organization is defined as that which consists of such factors or forces that affect its business from outside. These include economic dynamics, government policy, political atmosphere, social and cultural values, and technology dynamics (Alkali & Abu, 2012;

Pearce & Robinson, 2007 and Beal, 2000). However, Ehlers and Lazenby (2011) point out that the external environment represents the variables in the environment that have a direct as well as an indirect influence on the performance of an organization. There is no doubt that environment is an important factor in relation to firm's performance. Even in behavioural approach, the personality, motivation and attitudes of the entrepreneur are dependent from environment (Gartner, 1985). The external environment constitutes various factors such as economic, political, technology, legal, and socio cultural (Ehlers & Lazenby, 2011).

For the purpose of this study, only two dimensions of external environment (economic and technological factors) are considered.

### **Economic Factors**

Economic environment, according to Omobolanle (2009), refers to all those factors such as inflation rate, exchange rate, unemployment rate among others which have bearing on the performance of an organization. In other words, economic environment consists of those economic factors that directly or indirectly affect the operations of businesses in Nigeria; it includes inflation rate, exchange rate, interest rate, employment among others. Economic factors also include factors such as tax rates, monetary policies and governmental activities. These factors are not in direct relation with business but influence the investment value in the future (Sargolzaee, Rahbar, Khalighi & Ahmad, 2016).

However, with respect to the banking sector, when the economic environment is in turmoil, bank managers' ability to predict returns accurately will be hindered resulting in more conservative lending behaviour across all banks. Schwienbacher, Armin, Larralde and Benjamin (2010) pointed out that business finance is highly and disproportionately affected by macroeconomic conditions. Market forecasts, stock market health, overall economy health, and monetary policy all have effects on business finance. Thus, this study defines economic environment as the totality of economic factors, such as unemployment, income, inflation, interest rates, productivity, gross domestic product (GDP), and exchange rate that influence the activities of banks (Access Bank Plc).

## **Technological Factors**

Technology is one of the central and most significant elements related to effective operations of management in an organization. Technology is understood as the systematic application of scientific or other organized knowledge to practical tasks. It can equally be defined as a body of knowledge used to create tools, manufacture products/services, develop skills, and extract or collect materials. Drucker (1970) in Onuoha (2012) defines technology as “the systematized practical knowledge, skills, methods, activities and artifacts by means of which man pushes back his limitations and extends his capability”. Technology changes fast and to keep pace with it, business managers should be ever alert to adopt changed technology in their businesses.

Technological factors refer to the group of factors that affect the production pattern in the organization and affect the demand for its products (Ismail, Hani & Mohammad, 2020). Similarly, Gamble (2014) stated that technology forces refer to the rate of scientific change and fastest growth of technology that have potential wide-ranging effects on society. More so, Babatunde, and Adebisi (2012) observed that technological factors include technological aspects such as research and development activity, automation, technology incentives and the rate of technological change. Furthermore, technological shifts can affect costs, quality, and lead to innovation. Likewise, technological changes affect the opportunities and challenges facing the organization. One of these effects is the change on demand due to technological progress. Therefore, it may lead to the emergence of new opportunities for the organization, such as the use of the Internet and the subsequent modern means of communication in marketing and sales (Al-Siddiq, 2018). The organization cannot survive unless there is an effective production and management technology (Grubich & Shrolik, 2015).

Technological factors contribute to supporting the organization's capability to apply and exploit new sciences and ideas that are emerging in various fields of knowledge. Technology is an important element in the areas of enhancing the competitive position of the organization as it works to improve the organization's services or products continuously, hence achieving business

sustainability and prosperity. Ismail, Hani and Mohammad (2020) opined that technological factors include spending on research and development, focusing on technological development in the industry, innovation, technology transfer, life cycle, and speed of technology changes. One of the most important ways to ensure stable performance is to invest in new technologies, redesign products and processes or spending on research and development (Epstein & Roy, 2001).

An important aspect of technology in the contemporary business world is Information Technology. Johnson and Scholes (2007) define, Information Technology (IT) as a term, which generally covers the harnessing of electronic technology for the information needs of business at all levels. It is a computer based system as well as telecommunication technology for storage, processing and dissemination of information. The advent of Information technology (IT) and its related technology has brought remarkable transformation to the business landscape. Organizations such as banks continue to make significant investments in IT in order to pursue any available opportunity such as IT to improve their competitive advantage. According to Chen, Liang and Lang (2006) IT is redesigning the fundamentals of firms and has made most business operations to a large extent dependent on it. Dangolani (2011) opined that Information Technology has basically been used under two different avenues in Banking. One is Communication and Connectivity and other is Business Process Reengineering. Information technology enables sophisticated product development, better market infrastructure, implementation of reliable techniques for control of risks and helps the financial intermediaries to reach geographically distant and diversified markets.

There is a widespread use of IT in the banking sector. IT-based applications such as internet banking, mobile banking, telephone banking, ATM and POS network brings significant advantages to customers in the delivery of existing products. The most important of these advantages is available to every banking product with lower cost banking operations for 24 hours to 7 days (Akhisar, Tunay & Tunay, 2015). Consequently, the dependency to branches is decline. In addition, IT-based products give opportunities to have

significant cost advantages, increasing profitability and facilitate lower risk than traditional banking products.

### **Theoretical Framework**

#### **Open System Theory**

Open system theory was originally developed by a Biologist Ludwig VonBertalanffy (1956), but it was immediately applicable across all disciplines. The open system theory recognizes that organizations exist in the context of a larger environment that affects how the organization performs and in turn is affected by how the organization interacts with it. The organizational environment is the set of forces surrounding an organization that have the potential to affect the way it operates (Davis & Powell, 2012). Organizations are ecological entities that have mutual relations with other entities in their environment where they operate as open systems and rely on their environment for their input and market for their end products. Hence, organizations rely on their environment for several essential resources: customers, suppliers, employees, shareholders, government etc.

This approach identifies organizational behavior by repeated cycles of input, throughput, output, and feedback between an organization and its external environment. Systems receive input from the environment either as information or in the form of resources. The processing of the input internally is called throughput which is released into the environment as output to maintain equilibrium. The system seeks feedback to determine if the output was effective in restoring equilibrium. As can be seen, the system approach is vital to this study because serve as means by which Access Bank Plc maintain survival and emphasize long term goals. Access Bank Plc relies on the environment for necessary inputs such as employees, customers, security etc. The society equally relies on it for safe keeping of money and other valuables.

#### **Empirical Review**

The debates on the effect of business environmental factors on organizational performance have attracted a lot of interest from researchers over the years. For instance, Mwangi and Wekesa (2017) conducted a study on the influence of economic factors on

organizational performance of Kenya Airways. This study adopted descriptive research design. The target population of this study was 245 staff working in Kenya Airways Finance department. Stratified random sampling was used to select 74 respondents. The researcher used a questionnaire as primary data collection instrument. Secondary data was collected from published materials and annual reports of Kenya Airways. Content analysis and descriptive analysis was employed. In addition, a multiple regression was used. The study established that economic factors-interest rate, taxation level-influence the organizational performance of Kenya Airways Limited.

In another development, Udu (2015) undertook a study to establish the nexus between business operations (BO) and the economic environment in Nigeria from 1981 – 2013. Extant literature relating to inflation rate, interest rate, Unemployment rate, exchange rate as the independent variables and business operations as the dependent variable were reviewed. The ordinary least square method of analysis as well as appropriate statistical and econometrics tests of significance were used to analyze the longitudinal data 1981-2013 collected from the Central Bank of Nigeria (CBN) statistical bulletin 2013 and world bank database. The results show that one percent rise in inflation rate reduces the output of BO by NGN0.000463bn or NGN463,000, but as interest rates increase, the contribution of BO to the overall output of goods and services improves and so does unemployment rate. The implication is that the economy grows at a declining rate and does not encourage middle economic status. The study recommended that the government should have a rethink on its tacit financial support to business organizations if the current trend of uncompetitive economic environment must be reversed.

More so, Okechukwu and Okoronkwo (2018) investigated the effect of technological environment on organizational performance. The specific objectives of the study were to examine the role technological environment on organizational customer satisfaction and organizational market share among selected Small and medium scale enterprises in Enugu. Descriptive research design was adopted in the study among 217 staff of the selected medium scale enterprises in Enugu. Structured questionnaire was used in collecting data



which was presented in tables. The result of the study shows that Technological environment has no significant role on organizational customer satisfaction among selected Small and medium scale enterprises in Enugu ( $R = .782a, p = .000$ ) and technological environment has a significant effect on organizational market share among selected Small and medium scale enterprises in Enugu ( $R = .835a, p = .000$ ). The study recommended that the management of medium scale enterprise should look deeply inward and see how best they can utilize the technological advancement in achieving the organizational goal of customer satisfaction.

Using a non-parametric model of Data Envelopment Analysis (DEA) on data gather from 444 Ghanaian bank branches, Appiahene, Missah and Jaim (2019) examined the impact of IT on technology. The results suggested that IT had significant impact on the banks' overall performance as a good number of them (78.82%) were efficient in their entire operations, even though their respective efficiencies in deposit and investment were not good.

Furthermore, Olarewaju and Elegunde (2012) examined the impact of external business environment on organizational performance in the food and beverage industry in Nigeria. Specifically, the study investigated the influence of economic and political environment on organizational performance. A questionnaire was developed to collect information from the respondents based on a sample of 3 companies with 150 sample size. Data collected were analyzed using multiple regression analysis. The findings of the analysis show that the external business environment (economic and political) has impact on organizational performance (effectiveness, efficiency, increase in sales, achievement of corporate goals etc.). Thus,

organizations should pay more attentions to their environment by doing periodic scanning.

## METHODOLOGY

This study investigated the influence of external environmental factors (economic and technology) on the performance of Access Bank Plc. The study utilized the survey method. The target population of this study is top and middle level managers of the Access Bank Plc who are currently serving in Lagos, Abuja and Enugu branches in regardless of years of experience as at August 2019. From informal interview with few managers and key personnel who are privy to the employees' registers in their respective companies, the population figure is estimated at five hundred and eighty-two (582) (Personal communications, June 14, 2019). A sample size of 226 was obtained using Krejcie and Morgan sample size determination table from a population of five hundred and eighty-two (582). Structured questionnaire was used to obtain data from respondents. Construct and face validity were used to establish the validity of measurements. Meanwhile, a test-retest method was used to assess the reliability of the questionnaire. The analysis was based on 196 copies of returned questionnaires representing 87%. The statistical tools that were used in the analysis of data comprise of descriptive statistic, the Jacque Bera normality test, Correlation and OLS multiple regressions.

## DATA PRESENTATION, ANALYSIS AND DISCUSSIONS

### Reliability Test

The criteria of Cronbach's alpha for establishing the internal consistency reliability is: Excellent ( $\alpha > 0.9$ ), Good ( $0.7 < \alpha < 0.9$ ), Acceptable ( $0.6 < \alpha < 0.7$ ), Poor ( $0.5 < \alpha < 0.6$ ), Unacceptable ( $\alpha < 0.5$ ).

**Table 1: Cronbach's Alpha**

Dimension of study constructs	Number of items	Cronbach's Alpha coefficient
Economic factors	4	0.797
Technological factors	4	0.824
Organizational performance	8	0.918

Source: Field Survey, STATA 13, 2021.



Based on the above table, the Cronbach's alpha value of economic factors, technological factors and organizational performance are 0.797, 0.824 and 0.918 respectively. This shows that the data have a good reliability and internal consistency. The data set are also reliable and acceptable for the analysis because the Cronbach's Alpha values

both overall and individuals are greater than the critical value which for this study is 0.5.

The research question was answered using tables, frequency, percentage, mean and standard deviation while the hypothesis was tested at 0.01 level of significant using Pearson Correlation with the aid of STATA 13.

**Table 2: Research Question One: What is the effect of economic factors on the performance of Access Bank Plc?**

S/NO	Statements	SA	A	N	D	SD	Mean	S.Deviation
1	Credit policy is not threatened by interest rate fluctuations	171	17	-	5	3	4.78	.717
	%	87.24	8.67	-	2.55	1.53		
2	Deposit liabilities have not decline due to inflationary trend.	56	130	3	4	3	4.18	.699
	%	28.57	66.33	1.53	2.04	1.53		
3	You have strategies to take advantage of business cycles.	47	121	21	3	4	4.04	.770
	%	23.98	61.73	10.71	1.53	2.04		
4	Staff remuneration is competitive	98	74	3	4	17	4.18	1.162
	%	50	37.76	1.53	2.04	8.67		

Source: Field Survey, STATA 13, 2021.

From table 2 above, it is evident that 171 respondents representing 87.24% strongly agreed with the fact that credit policy is not threatened by interest rate fluctuations, 17 respondents representing 8.67% agreed, 5 respondents representing 2.55% were neutral, and 3 respondents representing 1.53% strongly disagreed with the fact that credit policy is not threatened by interest rate fluctuations. This implies that credit policy is not threatened by interest rate fluctuations.

In respect of statement 2 from table 2 above, 56 respondents representing 28.57% strongly agreed with the fact that deposit liabilities have not decline due to inflationary trend, 130 respondents representing 66.33% agreed, 3 respondents representing 1.53% were neutral, 4 respondents representing 2.04% disagreed and 3 respondents representing 1.53% strongly disagreed with the fact that deposit liabilities have not decline due to inflationary trend. This implies that deposit

liabilities have not decline due to inflationary trend.

With respect to statement 3 from table 2 above, 47 respondents representing 23.98% strongly agreed with the fact that they have strategies to take advantage of business cycles, 121 respondents representing 61.73% agreed, 21 respondents representing 10.71% were neutral, 3 respondents representing 1.53% disagreed and 4 respondents representing 2.04% strongly disagreed with the fact that they have strategies to take advantage of business cycles. This implies that they have strategies to take advantage of business cycles.

Table 2 above equally shows that 98 respondents representing 50.00% strongly agreed with the fact that staff remuneration is competitive, 74 respondents representing 37.76% agreed, 3 respondents representing 1.53% were neutral, 4 respondents representing 2.04% disagreed and 17 respondents representing 8.67% strongly

disagreed with the fact that staff remuneration is competitive. This implies that Staff remuneration is competitive.

**Table 3: Research Question Two: How does technological factors affect the performance of Access Bank Plc?**

S/NO	Statements	SA	A	N	D	SD	Mean	S.Deviation
1	IT tools are used to support collaborative work (e.g. calendars, video conferencing systems, communication tools). %	82 41.84	46 23.47	10 5.10	9 4.59	49 25	4.03	1.716
2	IT based applications allow fast delivery of financial products. %	66 33.67	121 61.73	3 1.53	2 1.02	4 2.04	4.24	.722
3	IT tools facilitate processing of network transactions %	145 73.98	40 20.41	5 2.55	2 1.02	4 2.04	4.63	.770
4	IT tools are used to store data on implemented projects,tasks and activities. %	41 20.92	117 59.69	10 5.10	14 7.14	14 7.14	3.80	1.075

Source: Field Survey, STATA 13, 2021.

From Table 3 above, it is evident that 82 respondents representing 41.84% strongly agreed with the fact that IT tools are used to support collaborative work (e.g. calendars, video conferencing systems, communication tools), 46 respondents representing 23.47% agreed, 10 respondents representing 5.10% were neutral, 9 respondents representing 4.59% disagreed and 49 respondents representing 25% strongly disagreed with the fact IT tools are used to support collaborative work (e.g. calendars, video conferencing systems, communication tools). This implies that IT tools are used to support collaborative work (e.g., calendars, video conferencing systems, communication tools).

In respect of statement 2, 66 respondents representing 33.67% strongly agreed with the fact that IT based applications allow fast delivery of financial products, 121 respondents representing 61.73% agreed, 3 respondents representing 1.53% were neutral, 2 respondents representing 1.02% disagreed and 4 respondents representing 2.04% strongly

disagreed with the fact that IT based applications allow fast delivery of financial products. This implies that IT based applications allow fast delivery of financial products.

statement 3 from table 3 above indicated that 145 respondents representing 73.98% strongly agreed with the fact that IT tools facilitate processing of network transactions, 40 respondents representing 20.41% agreed, 5 respondents representing 2.55% were neutral, 2 respondents representing 1.02% disagreed and 4 respondents representing 2.04% strongly disagreed with the fact that IT tools facilitate processing of network transactions. This implies that IT tools facilitate processing of network transactions.

With respect to statement 4 from table 3 above, 41 respondents representing 20.92% strongly agreed with the fact that IT tools are used to store data on implemented projects, tasks and activities, 117 respondents representing 59.69% agreed, 10 respondents

representing 5.10% were neutral, 14 respondents representing 7.14% disagreed and 14 respondents representing 7.14% strongly disagreed with the fact that IT tools are used to store data on implemented projects, tasks and activities. This implies that IT tools are used to

store data on implemented projects, tasks and activities.

**Correlation Matrix**

Correlation analysis using Pearson correlation coefficient technique was used to establish the relationships between the study variables. The results are summarized in the tables below.

**Table 4: Correlation Matrix**

	ORGP	TEFT	ECFT
ORGP	1.0000		
TEFT	0.3962	1.0000	
ECFT	0.1287	0.4945	1.0000

Source: Field Survey, STATA 13, 2021.

The results in table 4 above show that the relationships between environmental factor surrogates and the performance of Access Bank Plc. It was revealed that ORGP has positive and significant relationship with technological factors (TEFT) with correlation coefficient of  $r = 0.3962$  and it was also revealed that ORGP has positive and significant relationship with economic factors (ECFT) with correlation coefficient of  $r = 0.1287$ .

**Regression Analysis**

A Multiple regression analysis was conducted to determine the effect of environmental factors on performance of Access bank Plc in Nigeria. To establish the statistical significance of the respective hypotheses, OLS analysis was conducted at 95% confidence level and 5% level of significance. The output results are as indicated in the tables below.

**Table 5: OLS Regression Analysis**

Source	SS	df	MS	Number of obs =	196
Model	427.493521	2	213.746761	F( 2, 193) =	18.78
Residual	2196.17995	193	11.3791707	Prob > F =	0.0000
				R-squared =	0.1629
				Adj R-squared =	0.1543
Total	2623.67347	195	13.4547357	Root MSE =	3.3733

	ORGP	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]
TEFT		.7382069	.1270658	5.81	0.000	.4875909 .9888228
ECFT		.5826049	.1054393	5.53	0.000	.4891827 .1239729
cons		21.7176	2.423451	8.96	0.000	16.93775 26.49745

Source: Field Survey, STATA 13, 2021.

Table 5 above shows that the R Square value of 0.1629 indicating that 16% of the variation in performance of Access bank Plc can be attributed to environmental factors. While the remaining 84% can be attributed to other factor(s) outside environmental factors considered in this study. The adjusted R-square displayed a value of 0.1543 or 15% implying that the model can still accommodate

additional independent variable without the R-square falling below 0.15.

The table also shows that technological factor (TEFT) has a positive and significant effect on performance of Access Bank Plc in Nigeria at 5% level of significant with t-value = 5.81 and p-value of 0.000 or 0% which is less than the 5% level of significant. Therefore, a unit increase in technological factor (TEFT) will lead to 0.738 increase in

performance of Access Bank Plc in Nigeria and a unit decrease in technological factor (TEFT) will lead to 0.738 decrease in the performance of Access Bank Plc in Nigeria.

Table 5 above reveals that economic factor (ECFT) has a positive and significant effect on performance of Access Bank Plc in Nigeria at 5% level of significant with t-value = 5.53 and p-value of 0.000 or 0% which is less than the 5% level of significant. Therefore, a unit increase in economic factor (ECFT) will lead to 0.583 increase in performance of Access Bank Plc in Nigeria and a unit decrease in economic factor (ECFT) will lead to 0.583 decrease in the performance of Access Bank Plc in Nigeria.

**Test for Multicollinearity using the VIF Test**

VIF stands for variance inflation factor. When there is a perfect linear relationship among the predictors, the estimates for a

regression model cannot be uniquely computed. The term collinearity implies that two variables are near perfect linear combinations of one another. When more than two variables are involved, it is often called multicollinearity, although the two terms are often used interchangeably.

The primary concern is that as the degree of multicollinearity increases, the regression model estimates of the coefficients become unstable and the standard errors for the coefficients can get wildly inflated.

As a rule of thumb, a variable whose VIF values are greater than 10 may merit further investigation or unacceptable. Tolerance, defined as 1/VIF, is used by many researchers to check on the degree of collinearity. A tolerance value lower than 0.1 is comparable to a VIF of 10. It means that the variable could be considered as a linear combination of other independent variables.

**Table 6: Variance Inflation Factor (VIF) Test**

Variable	VIF	1/VIF
ECFT	1.32	0.755494
TEFT	1.32	0.755494
Mean VIF	1.32	

Table 6 above revealed that all the independent variables VIF value are less than 10 and the tolerance values are greater than 0.1, this is an indication that the independent variables are free from multicollinearity.

**Test of Hypotheses**

Hypothesis was tested at 0.01 level of significant using Spearman Ranking Correlation with the aid of Statistical Packages for Social Sciences (SPSS).

**Test of Hypothesis One**

**H0<sub>1</sub>:** Economic factors have no significant effect on the performance of Access Bank Plc

**H1<sub>1</sub>:** Economic factors have significant effect on the performance of Access Bank Plc

Based on the above facts and figures that has been established in the correlation matrix in table 4 and regression coefficient in table 5 above, the findings reveal that economic factor (ECFT) has positive and significant relationship with the performance of Access Bank Plc and that economic factors have significant effect on the performance of Access

Bank Plc. Therefore, the null hypothesis which states that “economic factors have no significant effect on the performance of Access Bank Plc” is rejected and the alternative hypothesis which stated that “economic factors have significant effect on the performance of Access Bank Plc.” is accepted.

**Test of Hypothesis Two**

**H0<sub>2</sub>:** Technological factors have no significant effect on the performance of Access Bank Plc.

**H1<sub>2</sub>:** Technological factors have significant effect on the performance of Access Bank Plc.

Based on the above facts and figures that has been established in the correlation matrix in table 4 and regression coefficient in table 5 above, the findings reveal that technological factor (TEFT) has positive and significant relationship with the performance of Access Bank Plc and that technological factors have significant effect on the performance of Access Bank Plc. Therefore, the null hypothesis which states that “technological factors have no significant effect on the performance of Access

Bank Plc” is rejected and the alternative hypothesis which stated that “technological factors have significant effect on the performance of Access Bank Plc” is accepted.

### Discussion of Findings

From the analysis, economic factors (ECFT) have positive and significant effect on performance of Access Bank Plc at 5% level of significant with t-value = 6.05 and p-value of 0.000 or 0% which is less than the 5% level of significant. Therefore, a unit increase in economic factor (ECFT) will lead to 0.485 increase in performance of Access Bank Plc and a unit decrease in economic factor (ECFT) will lead to 0.485 decrease in the performance of Access Bank Plc. This finding is supported by the findings of Mwangi and Wekesa (2017), Udu (2015) and Olarewaju and Elegunde (2012) among others who revealed that economic factor has significant effect on performance. The system theory equally renders credence to this finding because organizations (including Access Bank Plc) do not operate in a vacuum but amidst varying economic factors.

Furthermore, analyses also revealed that technological factors (TEFT) have positive and significant effect on performance of Access Bank Plc at 5% level of significant with t-value = 8.72 and p-value of 0.000 or 0% which is less than the 5% level of significant. This implies that a unit increase in technological factor (TEFT) will lead to 0.574 increase in performance of Access Bank Plc in Nigeria and a unit decrease in technological factor (TEFT) will lead to 0.574 decrease in the performance of Access Bank Plc in Nigeria. Therefore, technological factors have significant effect on organizational performance of banks in Nigeria. This finding is in agreement with the findings of Ismail, Hani and Mohammad (2020), Appiahene, Missah and Jaim (2019), Okechukwu and Okoronkwo (2018) among others who revealed that technological factor has significant effect on performance. The open

system theory also concur to this finding since no organization (including Access Bank Plc) can survive in today’s competitive business world without adapting to new technologies.

### CONCLUSION

This study empirically examines the influence of external environmental factors on organizational performance with particular reference to Access Bank Plc. The result of this study reveals in its totality that economic and technological factors have significant relationship with the performance of Access Bank Plc. To this end therefore, a very clear evidence has been established through this study that environmental factors is a significant predictor of the performance of Access Bank Plc specifically, and banks generally in Nigeria. The study also concludes that not all external environmental manifestations negatively impact organizational activities. On the contrary, others have positive implications.

### RECOMMENDATION

- i. There is need for government and various policy makers to put in place policies that will improve the economic condition surrounding the banking industry as the study established that economic factors have an influence on organizational performance of Access Bank Plc. This will further strengthen customers’ trust and build confidence in the financial sector in the country.
- ii. Prompt knowledge of new technologies should be adapted by the bank as it will go a long way in enhancing the quality of their products and services. Whenever, there are changes in technology, managers should always ensure that their customers are considered first. This will make the bank to perform effectively.

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# **Teamwork and Academic Staff Performance in Federal University of Technology, Akure, Ondo State, Nigeria**

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## **ABSTRACT**

*This paper acknowledged teamwork as an instrument for improving academic staff' performance in tertiary institutions. The paper examined the extent to which University of Technology, Akure (FUTA)'s academic staff are involved in teamwork; determined the factors hindering effectiveness of teamwork and effect of teamwork on the staff' performance. Survey design, purposive and random sampling techniques were used in the study. Data were collected from 292 respondents with structured questionnaire, and analyzed with descriptive and inferential statistics. Hypothesis was tested with Chi-Square ( $\chi^2$ ) at 5% significant level. Research instrument was validated with pilot test, while its reliability was tested with Cronbach Alpha. Cronbach Alpha coefficient was 0.836. The findings revealed that teamwork had significant effect on the staff' performance, with p-values less than .05. The paper recommends more use of teamwork to improve academic staff' performance in tertiary institutions in Nigeria in general and FUTA in particular.*

**Keywords: Team, Teamwork, Academic Staff, Performance**

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## **1. Introduction**

Most activities around the globe have become so complex and challenging to the extent that they have gone beyond the competence and capability of being handled by single individuals. This complexity in contemporary establishments, business environment, tasks and interdependence of roles, has forced organizations to be increasingly more dynamic, competitive and necessitate the use of more teamwork. Hence, business firms have become more brilliant and rely on teamwork to attain desired goals (Manzoor, Ullah, Hussain & Ahmad, 2011; Abuzid & Abbas, 2017). In fact, modern economy is knowledge-based, this situation has necessitated higher-education institutes to generate wide-ranging educational resources and strengthen the sharing mechanism for a better educational quality (Pausits & Pellert, 2009). Therefore, teamwork is increasingly used as more employees and students work together to solve problems that are non-routine (Fiore, Graesser, Greiff, Griffin, Gong, Kyllonen, . . . von Davier, 2017).

Teamwork is the vital part of developing novel role of effectiveness that enhances the attainment of desired objectives (Abuzid & Abbas, 2017). It is usually an efficient mode of dealing with intricate problems (Avry, Chanel, Bétrancourt & Molinari, 2020). It expands people's outputs via collaboration, because, it increases efficiency, since team members provide each other with mutual support and focus their various minds to solve the same problem (Apoorva, 2019). Teamwork assists in advancing employees' perceptions and skills via exchange of positive viewpoints, experiences, feedbacks and opinions between team members. Thus, this process results in a continuous development of employees and the organization as a whole (Sanyal & Hisam, 2018). Teamwork is very vital and beneficial to an organization in the long-run because, it helps to reduce and make the workload of an organization more efficient and effective, through collectively performance. Hence, it helps to reduced pressure on employees and upturn their performances because, the work is disseminated equally to all team members (Sanyal & Hisam, 2018; Apoorva, 2019). Moreover, teamwork helps the organisation to make best use of its resources and sustains the

organization in the market place (Apoorva, 2019).

Teamwork encourages cooperation, enthusiasm, efficiency and effectiveness, especially when members' participation and team spirit exist among them. In fact, when a team works well as a unit it is able to accomplish more than individual members would do alone and even attain higher quality outcomes (Apoorva, 2019). In the Universities, different committees and research teams are deliberately set up in order to enhance the achievements of departmental, schools' or faculties' and the entire institution's goals.

Sanyal and Hisam (2018) defined teamwork as individuals coming together as a group to carry out their jobs cooperatively, and make decisions more efficiently and effectively, in order to attain a defined objective. Katzenbach and Smith (1994) defined a team as a small number of members who are dedicated to the attainment of a team's goal or performance and are jointly responsible to each other. On the other hand, Musriha (2013) referred to a team as a component of two or more persons who interrelate and coordinate their work in order to achieve a common goal. This means, team members work collaboratively in order to attain the desired objectives of organizations (Apoorva, 2019). Brown (2009) stated that, a team is made up of a set of interconnected feelings, thoughts and actions of every member. Teams are however seen as temporary, because they are assigned to solve short-term problems concerning numerous departments (Guzzo & Dickson, 1996). All these definitions emphasize that team members are interdependent individuals who bring along their distinctive skills and working methods to the team, in addition to the compound social system built by the members of the team (Dylikiewicz & Knudsen, 2010).

Team performance was defined by Schrader and Goepfert (1996), as the degree to which a team is capable of meeting established cost, time and quality objectives. It is characterized by its variables' efficiency and effectiveness. Effectiveness denotes the degree to which teams meet up with anticipations as regards the quality of outcome, while efficiency refers to the adherence to budgets and schedules. Thus, effectiveness connotes a comparison between

projected and actual output, whereas efficiency's rankings are founded on a comparison between projected and actual input (Madhavan & Grover, 1998). Hackman (1990) referred to team effectiveness as the extent to which a team's output meets up with set standard, in terms of quality, quantity and timeliness. While Mickan and Rodger (2000) stated that, improvement in quality outputs, reduction in mistakes, increase in productivity and customers' satisfaction are used to assess a team's performance.

### **Statement of the Problem**

Several studies have been carried out on the effect of teamwork on the performance of employees in various enterprises. A lot of these studies were carried out outside Nigeria. These studies include: Agarwal and Adjirackor (2016) Ghana; Abuzid and Abbas (2017), Saudi Arabian; Gang (2018), Kampala, Uganda; Sanyal and Hisam (2018), *Dhofar, Oman*, Abdulle and Aydintan (2019), Mogadishu, Somalia; among others. Also, the study areas of past researchers were mainly on parastatals or departments, selected banks and selected basic schools. Many of the studies concluded that, the complexity and competitiveness involved in businesses all over the globe suggest that, businesses can no longer depend solely on individual decisions. Hence, a lot of firms now see teamwork as the key used to propel organizational performance, and that which firms depend on in order to increase their efficiency, effectiveness, productivity and attain the goals and survival of organizations. However, despite these past studies, studies on the effect of teamwork on performance of the academic staff of universities in Nigeria, have not been adequately researched into. This study intends to fill this identified gap.

### **Theoretical Framework**

The theory underpinning this study is McClelland (1961)'s "three factors theory". This theory is focused on three categories of motivation: (i) Need for achievement – some workers are motivated by the need to excel, be recognized and acquire prestigious status. (ii) Need for power - some other people are only motivated when they are in a position to influence and control other individuals or group of people. (iii) Need for recognition – some people are motivated when they affiliate

with other people. These people desire to have friends, to be loved, belong and have close interpersonal relationships. These people like to work in groups, they are motivated and happy to work in a team, and this drives them to work harder and assist other people. This theory is related to this study because it explains the need for teamwork and how teamwork can influence employees' performance.

## **Literature Review**

### **Types of Teams**

Teams have been categorized into several types by several authors. Cohen and Bailey (1997), opined that four kinds of teams can be recognized in today's firms. They include: (1) management teams (2) work teams; (3) project teams; and (4) parallel teams. Teams have also been categorized into formal and informal teams. Formal teams are likely to have concrete organizational structures with team members having unique roles and specified assignment. This particular type of team is usually formed to carry out a specific assignment planned to be executed within a specified timeframe. On the other hand, informal teams are usually formed to resolve a specific problem. However, the extent of interdependence in informal teams is lower in comparison with that in formal teams (Halverson & Tirmizi 2008). Teams can also be classified in terms of diversity. The various kinds of this team include: homogenous teams where members of the team emanate from the same background, token teams that have only one member coming from other environs, bicultural teams that have team members from only two cultures and multicultural teams (Dylikiewicz & Knudsen, 2010).

Other types of teams include: committees, task forces, self-managed and virtual teams. Task forces are formed to carry out a particular project within a firm. However, the timetable, interdependence of members and performance of the team, play the utmost essential role of the team. Committees acts like the task forces. However, the level of autonomy of members of a committee is greater at different levels of interdependence. Virtual teams do not necessarily have to meet face-to-face in the physical form in order to execute a task. They

are formed and participate via technology (Dylkiewicz & Knudsen, 2010). This study will be carried out on committees.

#### **Attributes of Effective Team**

Tarricone and Luca (2002) stated that, for a team to be effective, it must possess certain attributes which include: commitment to team success and shared goals by team members; interdependence, which Schermerhorn (2008) referred to as synergy (creation of a whole which is greater than the sum of its parts; interpersonal Skills; open communication and positive feedback; appropriate team composition, which Pulco (2009) and Bell (2007) referred to as giving the right people the right task to perform, because, teams rely on the competence of members to accomplish team performance (Marks, Matheiu & Zaccaro, 2001); commitment to team processes, leadership and accountability; collaboration; Collaboration, which according to Borge and White (2016), involves the synchronization of activities that take place when persons engage in shared thought procedures to negotiate and synthesize joint information in order to create collective meaning, and novel knowledge. However, collaboration to be built on trust, which can only be accomplished via respect, openness, consistency and honesty.

#### **Factors inhibiting effective use of teamwork**

One of the factors that disrupts relationships amongst team members is role ambiguity, which has effect on employees' comprehension of what role they are expected to play, how to attain their objectives and performance, and how their performance will be assessed (Kahn, Wolfe, Quinn, Snoek & Rosenthal (1964). Also, what the resultant effect will be for attaining or not attaining their objectives (Rogalsky, Doherty & Paradis, 2016). Therefore, one of the consequences of role ambiguity is that, team members may neglect their responsibilities, with the hope that other team members will do it. It may even lead to anxiety, depression, and other negative results on team members. Another factor is social loafing where there is an inclination for persons to utilize less effort while working with a team than when working individually (Comer, 1995).

Also, absence of collaboration amongst team members results in the duplication of efforts,

misplacing responsibility for certain sub-tasks and activities in the task process and therefore hindering the ability of the team to finish its task within certain budgeted and scheduled limits (Hoegl, Parboteeah & Gemuenden, 2003). A negative attribution, such as a member of a team acting out of self-interest, or too distant, often results to a negative twist of team functioning (Brown (2009), while Leadership style (team-centered or leader-centered) used by a team leader, can determine whether team efforts will be successful or not. If team leadership is leader-centered, it may lead to faulty processes. When there is deficiency in leadership, a team's quality is negatively affected (Burgoon & Ruffner, 1978). Also, attitudinal problems like mistrust and dislike can Adler, 2008). come up amongst team members. Mistrust is more rampant in culturally diverse teams, due to the misinterpretation in a cross-cultural environment. Mistrust also results to an upsurge in stress (Miscommunication is one of the key issues faced by teams and the main causes of difficulties in teamwork (Gupta 2008). Miscommunication can result from increased misunderstandings as a result of having people from several nations working together (Dylkiewicz & Knudsen, 2010). Cultural hindrances and communication problems can prevent cohesion in teams (Conti & Kleiner, 1997). Other factors that can affect teamwork include: perception matters, reduced team cohesiveness and absence of cultural self-awareness (Dylkiewicz & Knudsen, 2010). However, adequacy of money, materials, time, people, information, energy and social capital, have key effect on a team's productivity (Adler, 2008).

#### **Empirical Literature on the Effects of Teamwork on Employees' and Organizations' performance**

Apoorva (2019) carried out a study on the effect of teamwork on the performance of organization. This study was centered on how teamwork affects the general organisation's conditions and have a positive force on a firm's employees and the organization as a whole. Random sampling technique was used to select 60 respondents, while structured copies of questionnaire were used to collect data from the respondents. The results disclosed that teamwork is the utmost method

that an organization can adapt to improve performance.

Abdulle and Aydintan (2019)'s research on the effect of teamwork on employee performance in some selected private banks in Mogadishu, Somalia, had a population of 500 employees of the selected banks, and 222 employees as sample size. Structured copies of questionnaire were used to gather data, while descriptive and inferential (regression analysis) statistics were used for data analysis. Analysis of Variance (ANOVA) was used to test hypothesis at .05 significance level. The result of the study disclosed that, the variables used to measure teamwork (trust; cohesiveness; team spirit; and knowledge sharing among team members) had positive and significant effect on the employee's performance.

Furthermore, Sanyal and Hisam (2018), carried out a study on the effect of teamwork on employees' work performance, using Faculty members in Dhofar University as case study. The study assessed several variables associated with teamwork - leadership and structure, rewards, performance evaluation and trust and performance of the employees. The results disclosed that, there is a solid and significant relationship between the teamwork - leadership and structure, rewards, performance evaluation and trust climate on Dhofar university in Sultanate's faculty members' performance.

Also, Sanyal and Hisam (2018) stated that, teamwork enables team members to have higher ability to: positively plan and decide with others, have self-confidence and emotional security level. Also, it assists in creating a work environment that is healthy, and good values, creative activities, workable agendas, positive strategies and enables workers to attain their purposes and common goals. They further stated that, Non-presence of teamwork strategies in organisations can result to low morale, occupational failure, poor productivity and disappointment which impends the whole organization.

Moreover Gang (2018) carried out research on teamwork and organization performance in parastatals: a case of National Water and Sewerage Corporation, Kampala, Uganda. Cross sectional design was used for the study.

While quantitative and qualitative methods were used for data analysis. The respondents were 214 in number. The result revealed that, shared values, mutual trust and team roles have positive and significant influence on the performance of the organization.

In addition, Abuzid and Abbas, (2017) carried out a study on the influence of effectiveness of teamwork on the performance of organization vis-a-vis function of support from organization and readiness of team leader: a study of Government Departments work teams in Saudi Arabia. In the study, the elements of effective teamwork and their effects on the performance of organisations in the existence of mediated role of organization support and readiness of team leader in public service institutions in the kingdom of Saudi Arabia were measured. The population of the study involved every employee in the government sector, while the sample included employees in the health and education departments, and municipalities in Riyadh region. Sixty-eight (68) research teams comprising 68 team leaders and 385 members were present and found appropriate to participate in the study. However, 96% (52 teams and team leaders with 292 members made valid responses available for the study. Descriptive statistic, Structural Equation Model (SEM) and Confirmatory Factor Analysis (CFA) were used for analysis. The findings revealed that teamwork components had positive and significant effect on the performance of the organisations. In addition, there was positive relationship between the readiness of team leaders and organizational support in making teams effective, and the improvement of organizational performance.

Nevertheless, Agarwal and Adjirackor (2016) carried out a study on the effect of teamwork on the productivity of organizations in some selected basic schools in Accra Metropolitan Assembly. The study was focused on members of staff of Ablekuma Anglican Basic School in Ga-Central Assembly of Greater-Accra Region, Omanjor M/A Basic School in Ga-West Assembly and Kwashieman Anglican Basic School in Accra Metropolitan Assembly. Inferential was used to analyze the relationship between teamwork variables - team trust, team spirit, rewards and recognition and productivity the productivity of the organisations. The result of the study revealed



that there is a positive and significant relationship between the dependent and independent variables.

On the other hand, Logan (2016)'s study on the effect of behaviours of teamwork on incivility (bullying or discourteousness) of workplace with regards to nurses' experience has been shown to have negative effect on nurses and the way they make care available to patients. These negative consequences are in existence irrespective of the support which the teams provide for the nurses while carrying out their duties. They encompassed the effect of nurse bullying (physician-on-nurse and nurse-on-nurse) and the effect of such discourteousness on healthcare teamwork. The study focused on three significant team behaviors – communication, trust and leadership.

Hoegl, Parboteeah and Gemuenden (2003)'s study on when teamwork really matters, used task innovativeness as a moderator of the teamwork–performance relationship in software development projects. The study revealed that the quality of teamwork is associated with the efficiency of team, including adherence to schedule and budget, and only in projects that lead to high task innovativeness.

## **Methodology**

### **Study Area**

The Federal University of Technology, Akure (FUTA), is located in Akure, in Ondo State, Nigeria. FUTA was established in 1981, and comprises of eight (8) Schools at the undergraduate level, and One (1) School at the Post Graduate Level. These Schools include: School of Engineering and Engineering Technology (SEET), School of Agricultural and Agricultural Technology (SAAT), School of Earth and Mineral Sciences (SEMS), School of Science (SOS), School of Health and Health Technology (SHHT), School of Logistics and Innovation Technology (SLIT), School of Environmental Technology (SETS), School of Computing (SOC), and School of Post Graduate Studies (SPGS). FUTA is made up of Academic and Administrative staff. The population of FUTA's students according to the Directorate of Academic Planning (2020) was 19,141 (13,928 male and 5,213 female); Senior Non-teaching staff, 847 (528 and 319

female); Academic Staff, 933 (759 male and 174 female); and Junior staff, 541 (342 male and 199 female).

### **Method**

Survey design and multistage sampling technique were used for the study. According to the Directorate of Academic Planning, Federal University of Technology Akure (FUTA) (2020), the total number of academic staff in FUTA was 933 (Male = 759 and Female = 174). Therefore, 933 was used as the population of this study. Taro Yamane (1967)'s formula ( $n = N/1+N(e^2)$ ). Where:  $n$  = Sample Size,  $N$  = Population of the Study, and  $e$  = error margin @ 5% (0.05) was used to select the sample size of 400 respondents. The sample size was then:  $N = 933/1+933(.05^2) = 400$ . The intention of the researcher was to use proportionate stratified random sample to select the academic staff that made up the sample size, so that the 8 schools will be well represented. However, as at the time of this research some academic staff were not available due to the Coronavirus break. Hence, the academic staff available were selected randomly from the different schools. Nevertheless, this did not affect the outcome of the research because the academic staff of all the schools were still captured.

Copies of the structured questionnaire were administered to 400 academic staff. Out of the 400 questionnaires administered, only 292(73%) were retrieved from the respondents. The copies of questionnaire were made up of two sections, A and B. Section A consisted of personal bio-data of the respondents while section B was made up of questions drawn to measure the effect of teamwork on FUTA's academic staff performance. Data for this study were analyzed with descriptive statistics - percentage, mean score, standard deviation and mean ranking, while chi-square was used to test the hypothesis posed for the research at 5% significant level. Validation of the research instrument was carried out by a senior lecturer in the Department of Business Administration in FUTA, while the Reliability test was carried out with Cronbach Alpha. The result of the reliability test on the research instrument used for the study revealed a Cronbach's Alpha coefficient of was 0.836, which is greater than 0.7. This shows that the result is high and suitable for social science.

## Results and Discussion

### Socio-Demographic Characteristics of the Respondents

Table 1 revealed that 79.8% of the respondents were male, while 20.2% were female. Also, 0.7% of the respondents were within the age group of 20 to 29 years, 3.1% within age group 30 to 39, 26.7% within age group 40 to 49 and the remaining 69.5% belonged to age group 50 and above.

Furthermore, 76.4% of the respondents had Ph .D., 21.2% had M. Sc., while 2.4% had B. Sc. In addition, 5.5% of the respondents were single, 92.1% were married, 1.4% were widowed, while the remaining 1.0% were separated. Moreover, 28.8% of the respondents had 1 to 9 years of experience, 51.7% had 10 to 19 years of experience, 12.0% had 20 to 29 years of experience, while the remaining 7.5% had 30 years and above experience.

**Table 1: Socio-Demographic Characteristics of the Respondent**

Characteristics	Frequency	Percentage (100%)
<b>Gender</b>		
Male	233	79.8
Female	59	20.2
<b>Age (Years)</b>		
20 – 29	2	0.7
30 – 39	9	3.1
40 – 49	78	26.7
50 and above	203	69.5
<b>Level of Education</b>		
Ph.D	223	76.4
MSc.	62	21.2
B.Sc	7	2.4
<b>Marital Status</b>		
Single	16	5.5
Married	269	92.1
Widowed	4	1.4
Separated	3	1.0
<b>Years of Experience</b>		
1 – 9	84	28.8
10 – 19	151	51.7
20 – 29	35	12.0
30 and above	22	7.5

Source: Field Work 2020

### Extent to which FUTA's Academic Staff are involved in teamwork

Table 2 shows the extent to which FUTA's Academic Staff are involved in teamwork, by using the degree of their involvement in various teamwork attributes. The summary of

the results presented shows that, the staff are highly involved in teamwork, as all the mean ranking of their involve in teamwork attributes were above mean average of 2.5. The 1<sup>st</sup> on the rank of the extent of academic staff involvement in teamwork was: in the team's

mutual contribution and participation towards the attainment of the team's goal, with mean average of 3.904. The 2<sup>nd</sup> on the rank was the team members learning from one another, with mean rank of 3.829, while in the 3<sup>rd</sup> position were, the dedication of team members to the attainment of the team's goals and cooperation among team members, with mean rank of 3.719 respectively. However, the least on the rank (29<sup>th</sup> position) was the willingness of the team members to help each other, with a mean average of 2.64, followed by the team members inspiring one another which took the 38<sup>th</sup> position, with a mean average of 3.101.

This result is in agreement with the findings of Manzoor *et al.*, 2011), Abuzid and Abbas (2017), who disclosed that, the complications in present-day business environment, establishments, everyday jobs, and interdependency of roles, has enforced firms to use of more teamwork. Also, in agreement with this result is, that of Pausits and Pellert (2009), which revealed that, current economy is knowledge-based and necessitates higher-education establishments to fortify the sharing mechanism for a better educational quality to be attained.

**Table 2: Extent to which FUTA's Academic Staff are involved in teamwork**

S/N	Attributes	Very High	High	Moderate	Low	Very Low	Mean	Rank
1	Mutual contribution and participation of members towards the attainment of the team's goal	62	150	70	10	0	3.904	1
2	Dedication of team members to the attainment of the team's goals	62	106	104	20	0	3.719	3
3	Cooperation among team members	74	82	116	20	0	3.719	3
4	Esprit de Corps	52	126	72	42	0	3.644	6
5	Interdependence among team members	40	136	74	42	0	3.596	7
6	Sense of unity among team members	62	94	94	30	12	3.562	10
7	Friendship among team members	74	92	94	32	0	3.712	4
8	Common interests	62	74	92	64	0	3.459	12
9	Enthusiasm to implement tasks	40	62	138	42	10	3.274	21
10	Team members are commitment to the team's tasks, success and shared goals	10	106	136	30	10	3.26	22
11	Willingness to help each other members	34	36	104	26	92	2.64	29
12	Interaction among the team members	42	140	90	20	0	3.699	5
13	Collaboration among the team	52	72	106	62	0	3.39	17
14	Good relationship between team members	42	92	116	30	12	3.418	15
15	Existence of team spirit among team members	42	124	86	40	0	3.575	8
16	Team members are jointly responsible to each other	32	82	126	52	0	3.322	20
17	Complementary skills among members of your team	32	52	166	42	0	3.253	24
18	Openness (members of your team are not scared to voice out their thoughts)	72	54	104	62	0	3.466	11

19	Team members hold themselves mutually answerable to the attainment of the mutual goal of the team	42	72	106	60	12	3.247	25
20	Team members' expertise complement each other	24	156	82	30	0	3.596	7
21	There is trust amongst team members	10	124	138	20	0	3.425	14
22	Team members inspire one another	30	102	96	54	10	3.101	28
23	Team members support one another	32	132	108	10	10	3.568	9
24	Team members learn from one another	62	138	72	20	0	3.829	2
25	Team members are honest to one another	44	104	84	40	20	3.384	18
26	Team members respect one another	52	32	168	20	20	3.26	23
27	Team members have confidence in one another	52	60	96	54	30	3.171	27
28	Team members provide genuine and positive feedback to the team	30	72	128	50	12	3.199	26
29	Team members keenly listen to the needs and apprehensions of each other	32	104	106	50	0	3.404	16
30	Team members willingly receive and give productive criticism	20	96	136	40	0	3.329	19
31	Team Members usually meet to discuss team topics	50	118	62	32	30	3.432	13

Source: Field Work 2020

**Factors Hindering the Effectiveness of Teams in the Study Area**

members, which is in the 13<sup>th</sup> position, with mean average of 2.712.

Table 3 reveals the factors hindering the effectiveness of teams in the study area. The highest factor (1<sup>st</sup> position) on the list is, role ambiguity (where the role given to each team member is not clear, therefore, some members neglect their roles with the believe that somebody else will do it). This factor has a mean average of 3.349. Followed by Laziness of some team members, which is in the 2<sup>nd</sup> position, with mean average of 3.315. However, the least factor which is in the 14<sup>th</sup> position with mean average of 2.692 is, misunderstanding among team members, followed by mistrust and dislike among team

These results are in agreement with the studies of Kahn *et al.* (1964) and Rogalsky *et al.* (2016) which disclosed that, role ambiguity in teamwork is one of the factors that upsets relationships amongst team members because, some team members may abdicate their jobs with the believe that other team members will carry them out. Also, related to this result is that of Comer (1995), which named social loafing (a proclivity for some team member to use less effort while working in a team than when working individually).

**Table 3: Distribution of the Factors Hindering the Effectiveness of Teams in the Study Area**

S/N	Factors that affect Effective Attainment of Team's goal,	Very High	High	Moderate	Low	Very Low	Mean	Rank
1	Lack of cooperation among team members	50	52	108	82	0	3.24	4

2	Absence of collaboration amongst team members	20	80	98	94	0	3.089	8
3	Inadequate supply of information to execute team's tasks	22	72	84	94	20	2.938	11
4	Delay in supply of information to execute team's tasks	42	40	106	74	30	2.966	10
5	Acceptance of decision made by well-respected members of team by other members, even when the decision does not go down well with other members of the team	62	40	128	30	32	3.24	4
6	Intimidation of well-respected members of the team on the other members to accept their decision	50	30	130	62	20	3.096	7
7	Role ambiguity (where the role given to each team member is not clear, therefore, some members neglect their roles with the believe that somebody else will do it)	30	146	22	84	10	3.349	1
8	Social loafing (where there is an inclination for persons to utilize less effort while working in a team than when working individually)	42	60	116	74	0	3.24	4
9	Negative attitude of team members towards the attainment of the team's goal	4	68	128	32	60	2.74	12
10	Absenteeism among team members in meetings to discuss the team work	30	102	52	98	10	3.151	6
11	Self-centeredness of some team members	20	72	94	96	10	2.986	9
12	Laziness of some team members	50	102	42	86	12	3.315	2
13	Unwillingness of some team members to work	70	60	74	58	30	3.281	3
14	Mistrust and dislike among team members	20	52	74	116	30	2.712	13
15	Miscommunication and misunderstanding among team members	30	40	84	86	52	2.692	14
16	Diverse perception among team member	50	72	86	54	30	3.199	5

Source: Field Work 2020

### Effect of Teamwork on FUTA's Academic Staff Performance

Table 4 presents the distribution of the effect of teamwork on FUTA's academic staff performance. The table revealed that, the highest effect (on the 1<sup>st</sup> position, with mean average of 4.178, standard deviation of .758,

Chi-square of 81.781 and significant level of .000) of teamwork on the performance of the academic staff of FUTA, is, it creates a learning environment where individual team member serves as educational resource to other members in a team environment, followed by, the fact that brainstorming within the team helps to produce novel ideas and

optimal solutions to problems. This was in the 2<sup>nd</sup> position, with mean average of 4.13, standard deviation of .881, Chi-square of 47.808, and significant level of .000. Meanwhile, the least effect of teamwork on the performance of the academic staff of FUTA, is that, questions are answered more quickly and concepts more rapidly understood. This factor is rated on the 18<sup>th</sup> position, with mean average of 3.685, standard deviation of .803, Chi-square of 55.479 and significant level of .000. Followed by the factor which states that teamwork reduces the time required to complete specific assignment, which is on the 17<sup>th</sup> position, with mean average of 3.692, standard deviation of .994, Chi-square of 67.973, and significant level of .000. This result implies that, teamwork has significant effect on the performance of academic staff in the Federal University of Technology, Akure, Ondo State, Nigeria.

This result is in agreement with the studies of Apoorva (2019), Abdulle and Aydintan (2019), Sanyal and Hisam (2018), Gang (2018), Abuzid and Abbas, (2017), Agarwal and Adjirackor (2016), which disclosed that, teamwork has significant effects on employees

and organizational performance. However, in disagreement with this study is the study of Logan (2016) which revealed that, the effect of behaviours of teamwork on incivility (bullying or discourteousness) of workplace with regards to nurses' experience (physician-on-nurse and nurse-on-nurse bullying) has been shown to have negative effect on nurses and the way they make care available to patients. These negative effects exist notwithstanding the backing that the teams give to the nurses while execution their duties. This discourteousness has effect on healthcare teamwork. This implies that, for a team to be effective, the leadership style must be good (no coercion, leader-centered or bullying), team members must have trust, team spirit, there must be rewards and recognition, commitment, appropriate team selection, cohesiveness, collaboration, knowledge sharing, honesty, friendship, a sense of unity and belongingness, cooperation, learning, respect and support from one another in the team. Otherwise, there could be friction, misunderstanding, among team members, and this could lead to low morale and low productivity or performance of team members.

**Table 4: Distribution of the Effect of Teamwork on FUTA's Academic Staff Performance**

S/N	Teamwork:	Mean	Mean Ranking	Std. Dev	Chi_Square $\chi^2$	Sig
1	Motivates members to perform better than as individuals	3.993	7	.891	44.630 <sup>a</sup>	.000
2	Enhances members' self-esteem	3.788	14	1.236	116.123 <sup>b</sup>	.000
3	Creates creative environment for members due to individuals' differing experiences and backgrounds	4.11	3	.972	106.482 <sup>c</sup>	.000
4	Creates a learning environment where individual team member serves as educational resource to other members in a team environment	4.178	1	.758	81.781 <sup>a</sup>	.000
5	Team members become more knowledgeable due to cross-fertilization of ideas	3.918	9	1.080	695.164 <sup>b</sup>	.000
6	Team members' attitudes improve due to the interaction that exist among members	3.884	12	.867	45.836 <sup>a</sup>	.000
7	Team members' confidence improved due to the interaction that exist among members	4.068	5	.749	8.274 <sup>b</sup>	.016
8	Makes members to be more efficient in carrying out the tasks given to them	4.007	6	.883	37.945 <sup>c</sup>	.000
9	Makes members to be more effective in carrying out the tasks given to them	3.849	13	.992	17.616 <sup>a</sup>	.001
10	Brainstorming within the team helps to produce novel ideas and optimal solutions to problems	4.13	2	.881	47.808 <sup>b</sup>	.000



11	Helps members to complete tasks faster than would have been possible if the task was given to individuals	3.897	11	.861	37.616 <sup>a</sup>	.000
12	Increases members' performance satisfaction	3.719	16	.794	63.151 <sup>b</sup>	.000
13	Increases the creativity of individual team member and the team as a whole	3.781	15	1.057	123.795 <sup>c</sup>	.000
14	Reduces the time required to complete specific assignment	3.692	17	.994	67.973 <sup>a</sup>	.000
15	Increases the speed with which the objectives of the assignments are accomplished	3.904	10	.718	95.808 <sup>b</sup>	.000
16	Questions are answered more quickly and concepts more rapidly understood	3.685	18	.803	55.479 <sup>a</sup>	.000
17	Deliberations by team members help to avoid some mistakes that individuals make in decision taking	3.979	8	.728	12.836 <sup>b</sup>	.002
18	Makes it easier for Lecturers to communicate with a team rather than a number of individuals working in isolation	4.075	4	.918	41.233 <sup>c</sup>	.000
19	Improves members' standard of work	3.918	9	1.161	65.254 <sup>a</sup>	.000

Source: Field Work 2020

### Conclusion

This study revealed that FUTA's academic staff are highly involved in teamwork. The factors that hinder the effectiveness of teamwork mostly in the study area are role ambiguity and laziness of some team members, while the least factors are, misunderstanding among team members and mistrust and dislike among team members. Also, the study disclosed that, the highest effect of teamwork on the performance of the academic staff of FUTA, is that it creates a learning environment where individual team member serves as educational resource to other members in a team and brainstorming within the team helps to produce novel ideas and optimal solutions to problems. Also, questions are answered more quickly and concepts more rapidly understood. Furthermore, teamwork reduces the time required to complete specific assignment. It can be therefore concluded that, teamwork of the academic staff of FUTA, has significant effects on the performance of the staff, since all the p-values are lower than .05. The study therefore recommends more implementation of teamwork-oriented strategies in order to attain optimum level of performance in the study area.

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# Effect of Workplace Spirituality on Employees' Performance in Benue State University Makurdi, Benue State - Nigeria

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## ABSTRACT

*The study examined the effect of Workplace Spirituality on the Employees' Performance in Benue State University. Descriptive survey design was adopted and the sample size of 256 employees. Linear regression was used to ascertain the effect of Workplace Spirituality on Employees' Performance. Statistically, the findings revealed a significant effect of Workplace Spirituality on Employees Productivity in Benue State University ( $\beta = 0.75$ ;  $p$  value = 0.000 and  $t$  value = 10.13). Workplace Spirituality equally have significant effect on Employees Job Satisfaction ( $\beta = 0.89$ ;  $p$  value = 0.000 and  $t$  value = 19.06). The study concluded that, workplace spirituality positively influences employees' job satisfaction and productivity and could hold important inferences for organizations outlook. This study recommends that workplace spirituality should play an important role in making the employee more productivity and satisfaction in the organization.*

**Keys:** *Workplace Spirituality, Employees Job Satisfaction, Organizational Performance, Employees Productivity.*

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## **1.1 Introduction**

In an effort to improve academic excellence, University administrators have implemented range of activities aimed at building a better organizational climate for its employees. The workplace is increasingly becoming a domain of spirituality as employees' level of performance towards organizational activities becomes interesting. These feelings of academic activities have rekindled a sense of belonging with the renewed search for peace and harmony due to the fact that employees in organizations do not only work with their hands but with the totality of their hearts, spirits, souls, and bodies (Mahmoud, Ra'ed, Rana & Bader, 2018)

According to Meily, Susant, Sri, & Bena (2021) employees are no longer contented with just a paycheck and good benefits; they want meaning and passion for their career. As people work in jobs with ever increasing pressures and demanding schedules, a need for imbibing spiritual values for the perceived calming effects it generates has made even organization focus on inculcating spirituality in the workplace. Spirituality have positively influences the work environment where the dimensions of spirituality are incorporated in the workplace which lead to greater productivity of the employees performance at the workplace (Ebikebina & Osuamkpe, 2020).

Spirituality is defined by Oshi & Okeke (2018) as personal and private beliefs that transcend the material aspects of life and give a deep sense of wholeness, connectedness, and openness to the infinite. In the workplace situation, there is a desire to be of service to other people and is demonstrated by service orientation and a deep concern for one's fellow workers (Ajala & Mojinyinola, 2013). Consideration towards others and the existence of high quality interpersonal working relationships lead to high levels of job satisfaction, low staff turnover, and

enhanced group cohesion, group performance and greater productivity (Ajala & Mojinyinola, 2013). Ultimately, these circumstances increase performance of the employees at the workplace. Spirituality at the workplace, according to Tantua& Osuamkpe(2020) has a positive effect on human activity and enhances personal development, compassion, meaningfulness and joy at work simultaneously promoting honesty, trust, job commitment, and wellbeing of employees. These changes can allow the development of a better environment within the organization and the creation of a more humanist climate for employees to do their work perfectly.

Nevertheless, employees are becoming more attached to their jobs due to the interconnectedness, purpose, and meaningfulness they derive from such activities through increased loyalty, attachment, dedication and belongingness yet, some scholars still attribute this gesture to the by-product of the kind of support organizations renders to its employee's in return (Wainaina, Iravo & Waititu, 2014).However, spirituality at work does not need to connote any religious inclination or proselytization at the workplace (Ebikebina & Osuamkpe, 2018). Spirituality has been involved in various aspects of personal traits that manifest themselves in a positive manner in the individual's behaviour at the workplace. The employees' spirituality and how it affects the job performance of the employees by affecting the job satisfaction and productivity of the organization. The employees' spirituality is an important facet of spirituality in the workplace, and its effect on the performance and productivity (Petchsawanga& Duchon, 2012).

## **1.2 Statement of the Problems**

The assumption and observation that are waving in the air reviewed that, despite the increase in demand for quality of employee performance by those working in the



academic environment, the service delivery is very poor, resulting from lack of capacity and attitude towards improving knowledge and responsibility in the work environment. Employees who are the embodiment of knowledge are better managed when the right capacity are being provided. The questions as to what instigates the employees work behaviour in terms of performance, passion, productivity and dedication to duty in the workplace environment despite the ill-attitudes or behaviour of government and management towards their welfare and working conditions, which gave rise to the study on workplace spirituality and employees' performance.

### **1.3 Objectives of the Study**

The objective of the study is to examine the effect of Workplace Spirituality on Employees Performance in Benue State University Makurdi. They are as follows;

- i) To determine the effect of Workplace Spirituality on Employees Productivity in Benue State University Makurdi.
- ii) To evaluate the effect of Workplace Spirituality on Employees Job Satisfaction in Benue State University Makurdi.

### **1.4 Research Questions**

The study sets to answer the following research questions:

- i) To what extent does Workplace Spirituality affect Employees Productivity in Benue State University Makurdi?
- ii) To what extent does Workplace Spirituality affect Employees Job Satisfaction in Benue State University Makurdi?

### **1.5 Research Hypotheses**

The following hypotheses are formulated to be tested in order to draw conclusion for this study:

- i) Workplace Spirituality has no significant effect on Employees

Productivity in Benue State University Makurdi.

- ii) Workplace Spirituality has no significant effect on Employees Job Satisfaction in Benue State University Makurdi.

## **2.0. Review of Related Literature**

### **2.1 Conceptual Framework**

A conceptual framework represents the researcher's synthesis of the literature on how to explain a phenomenon. It maps out the actions required in the course of the study.

### **2.2 Concept of Workplace Spirituality**

The term spirituality has been derived from the Latin word spiritus, meaning vapor, breath, air or wind. Vallabh & Singhal(2014) defined spirituality as the desire to find one's ultimate purpose in life, and to live life accordingly throughout its living span. Spirituality in an organizational context involves the effort to find one's ultimate purpose in life, to develop a strong connection with co-workers associated with work, to have consistency or alignment between one's core beliefs and values of the organization (Rashidin, Javed&Liu,2020). Workplace spirituality is a state or experience that can provide individuals with direction or meaning, or provide feelings of understanding, support, inner wholeness or connectedness (Oshi & Okeke, 2018). According to Petchsawanga & Duchon(2012), it is the conditions for community, meaning at work, inner life, blocks to spirituality, personal responsibility, and positive connection with other individuals, contemplation, work unit community, positive work unit values, organizational values, individual and organization. This shows employees of spiritual organizations have basic beliefs and values in the workplace (Ule, Idemudia & Wapaimi, 2020).

Workplaces have become the bedrock for the development of community which set up for the performance of employees (Nwanzu & Babalola, 2021). It has become places where



people spend most of their lives, develop friendships, create value, and make their most meaningful contributions to society. The average adult spends much of his or her life working, as much as a quarter or perhaps a third of his waking life at work, it becomes their most important community and to some employees, the work and colleagues at work have taken the place of family or social group (Belwalkar, Vohram & Pandey, 2018). The workplace has become the fountain head of community for many people which make it spirituality supports with emphasis of building mutual trust among the workforce which by implication fosters the actualization of individual and organizational aims and objectives (Daniel, 2010; Adeoti, Shamsudin & Wan, 2017). Workplace spirituality recognizes that employees have an inner life which nourishes and is nourished by meaningful work, taking place in the context of an environment where the employees are working (Bodla & Ali, 2012).

## **2.3 Component of Workplace Spirituality**

### **2.3.1 Inner Life**

The workplace has become a place for employees to express aspects of their personality, find a sense of meaning and bring their whole selves. Workplaces have become an important element of employees' lives. Inner life can be defined as the feeling that individuals have about who they are, what they are doing and the contributions they make (Ajala & Mojinyinola, 2013). Ferreira-Vasconcelos (2010) also noted that the workplace can be important for employees if they find the proper conditions that will enable them to express their inner lives. Inner life can also be related to identity. According to Ferreira-Vasconcelos (2010) inner life is related to two constructs: individual identity and social identity. Individual identity is about a person's self-concept or a person's inner view of themselves. It is also what distinguishes one individual from another (Vallabh & Singhal, 2014). Social identity is

related to belonging to a group such as an organization; it exists when individuals have the need to belong to a social context in order to express them.

### **2.3.2 Meaning Work**

Meaningful work refers to sense of enjoyment of work, comprises items related to the sense of joy and pleasure at workplace. It emphasizes the importance of the activities that employees conduct in their workplaces. Mousa & Alas (2016) conducted a study in order to explore the meaning of work in an organization. They found that most employees believed their job served functions other than merely earning a living. More recently, they looked at a scenario where employees can achieve a better understanding of meaningful work. According to their study, it can be considered meaningful if it is entered freely, allows the employees to have autonomy and independence, develops their rational capacities, provides sufficient wages, supports the moral development of employees and is not paternalistic. Meaningful work is about how employees interact with their day to day work at the individual level (Yogesh & Srishti, 2010). Meaningful work is about working on something that is important, energizing, and fulfills the employees' needs (Yogesh & Srishti, 2010).

### **2.3.3 Sense of Community**

Community can be defined as a partnership of free people committed to the care and nurturing of each other's mind, body, heart, and soul through participatory means (Wainaina, Iravo & Waititu, 2014). Community also means having a sense of belonging, a shared faith that is presented among individuals. Sense of community refers to team spirit, mutual care between members, sense of community and sense of common purpose (Yogesh & Srishti, 2010). According to Petchsawanga & Duchon (2012) individuals in workplaces can find a sense of community if the following characteristics are present: shared vision,

common values, boundaries, empowerment, responsibility sharing, growth and development, tension reduction, education, feedback and friendship. Recently, studies have shown that people value workplaces where they can feel as part of a community (Mousa & Alas, 2016). Employees can find a strong connectedness in workplaces where they experience shared values and a shared sense of purpose (Ferreira-Vasconcelos, 2010).

#### **2.3.4 Alignment with Organizational Value**

Organizational alignment is the degree to which an organization's design, strategy, and culture are cooperating to achieve the same desired goals (Daniel, 2010). He also argued that the alignment can be understood as a distance between ideal and real elements that are part of the organization. This alignment can also be viewed as a relationship between the employee and the organization. Vallabh & Singhal(2014) stated that alignment with organizational values is about working in an organization with a sense of ethics and integrity. Alignment is about having employees and managers that share appropriate values and have a strong conscience. Employees have internalized the organization's values and beliefs, its most fundamental meanings, and can act instinctively in accordance with those values without resorting to information processing (Daniel, 2010). They G.E. (General Electric) as an example where alignment with organizational values was evident during the 1980s when Jack Welch was the CEO of the company. Alignment with organizational values can be understood as a match between an employee's personal beliefs, values ideas and the organization's mission and purpose (Vallabh & Singhal,2014).

#### **2.4 Employees Performance**

Workers performance is of great importance to the organization because it communicates the overall performance and development of the organization to its members as well

(Inatimi, 2018). In the discipline of human resource management, different study by (Armstrong, 2009; Mahmoud et. al, 2018) suggest the following indicators for measuring employee performance and they include: efficiency in terms of cost, effectiveness with regards to quality that can be measured by percentage of work output that must be redone or is rejected; customer satisfaction that can be measured by the number of royal customers and customer feedback. Also, timeliness, measured in terms of how fast work is performed by the employee when given a certain task; achievement of objectives measured when an employee has surpassed the set targets. Managers of the organization design an environment for performance when they see that verifiable goals are set, strategies are developed and communicated, and plans to achieve objectives are made (Mahmoud et. al, 2018)

Similarly, workplace spirituality determines employee performance in an organization. Mohd-Yusof & Mahadzirah (2014) analyzed the extent to which employees perceive their workplace spirituality as fulfilling their intrinsic, extrinsic, and social needs and their need to stay in the organization. He also analyzed the impact of perception of workplace spirituality on employee commitment and turnover in the organization, he concluded that if the employees are provided with enabling workplace facilities support, they will be highly satisfied and show high level of commitment towards their organization and hence low turnover rate. Armstrong (2009) focused especially on those factors involved in stimulating an individual to put effort into something, since this is the basis of motivation. Inatimi(2018) indicates that management can achieve high performance when employees see their membership of a workgroup to be 'supportive', that is to say when they experience a sense of personal worth and

importance from belonging to it. High producing managers and supervisors tend to foster just such relationships with and within their groups (Mahmoud et. al, 2018)

**2.5 Workplace Spirituality on Employee Productivity**

Employees who have faith in the organization’s vision and who experience calling and membership will ‘Do what it takes’ in pursuit of the vision to continuously improve and be more productive (Mousa & Alas, 2016). According to Mohd-Yusof & Mahadzirah (2014) productivity is the efficient production of results, benefits, or profits. The employees who experience calling and membership will do the right thing to achieve the organization’s vision and to continuously improve and be more productive(Armstrong, 2009).Workplace spirituality leads to positive individual performance and also results in positive human health and psychological wellbeing and productivity (Yogesh & Srishti, 2010). Also, the study also found the positive impact of spiritual values and practices to leadership effectiveness and subsequently to employee commitment, productivity, and customer satisfaction etc. Likewise, spiritual leadership fosters spiritual well-being, which then positively influences employee life satisfaction, corporate responsibility, organizational commitment and productivity, and financial performance (Yogesh & Srishti, 2010).In a regional context, Bodla & Ali (2012) studied banking sector in Pakistan, finds leadership spirituality influence individual outcomes like performance, organization commitment and job satisfaction.

In similar manner, Meily, et. al. (2021) found workplace spirituality influence productivity, employee engagement, and professional commitment in the tertiary institution.

**2.6 Workplace Spirituality on Employee Job Satisfaction**

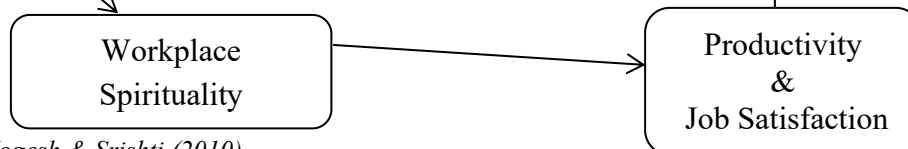
Job satisfaction is a measure of how content an employee is with his job. Job satisfaction can be expressed as the difference between what one needs and what one wants in an organization, and that the importance placed by an employee on a particular facet of work moderates the kind of satisfaction and dissatisfaction that he would experience (Mahmoud et. al, 2018). Investigations into spirituality and job satisfaction have by and large indicated that they are positively related. While dealing with the issue of enhancing palliative care for the dying, a group of doctors at the Life Path Hospice and Palliative Care Inc. in Florida found that member’s integration of spirituality into their work contributes significantly to their improvement of job satisfaction (Mohd-Yusof & Mahadzirah, 2014).Workplace spirituality has been found, when its dimensions of meaningful work and sense of community are developed. Spirituality has again been found to have a significant positive correlation with job satisfaction which helps to contain burnout in individuals (Rashidin, Javed& Liu, 2020). In fact, it is suggested that employees who lead themselves towards an increased level of spirituality in the workplace by using specific cognitive strategies would experience positive effects, among them being an increased level of job satisfaction(Yogesh & Srishti, 2010).

**Independent Variable**

Workplace Spirituality

**Dependent Variable**

Employees Performance



Source: Yogesh & Srishti (2010)

## **2.7 Theoretical Framework**

The study was anchored on one theory called, the theory of spiritual leadership which was developed by (Fry, 2003) within an intrinsic motivation model that incorporates vision, hope, faith, and altruistic love. The theory of workplace spirituality has received increased attention in the organizational sciences. Workplace spirituality is a fast-growing area of research and inquiry, with important implications for leadership theory, research, and practice. The purpose of spiritual leadership is to create vision and value congruence across the strategic, empowered team and individual levels. Ultimately, it could foster higher levels of individual and organizational outcomes such as commitment and productivity, financial performance, employee life satisfaction, and corporate social responsibility. One's inner life, or spiritual practice, as a fundamental source of inspiration and insight, positively influences development of (a) hope/faith in a transcendent vision of service to key stakeholders and (b) the values of altruistic love. Inner life affects individuals' perceptions about who they are, what they are doing, and what they are contributing.

## **2.8 Empirical Review**

Nwanzu & Babalolav(2021) carried out a study on the effect of workplace spirituality on perceived organizational support and job performance among university administrative employees. The study assessment was done on Rego and Cunha's five-workplace spirituality dimension model. This study adopted a correlational design with a self-administered questionnaire of 118 university administrative employees at a university. The research hypotheses were tested with regression analysis. Results show that composite workplace spirituality correlates positively and significantly with perceived organizational support and job performance.

Meily, Susant,Sri &Bena (2021) conduct a study on workplace spirituality, employee engagement, and professional commitment. The respondents of the study were 322 lecturers from state and private universities in Indonesia. Validity, reliability, simple regression, and path analysis were used to analyze the data. The results of the study showed that workplace spirituality had a direct effect on employee engagement, with the  $\beta$  value of 0.836, and the R-square of 70%, while professional commitment had a mediating effect on the relationship between workplace spirituality and employee engagement, with the  $\beta$  value of 0.162 and the R-square of 72.3%.

Ebikebina & Osuamkpe (2020) study focuses on the relationship between workplace spirituality and employee performance of manufacturing firms in River state, Nigeria. The study was carried adopted a cross sectional survey and was obtained based on an estimated sample of 302 workers within the manufacturing firms. The tests of hypotheses were carried out using the Spearman Rank order correlation coefficient at a 0.05 level of significance. The reliability of the instrument was achieved using the Crombach Alpha Coefficient with all the items being above 0.7. The results from the tests reveal that there is a significant relationship between workplace spirituality and employee performance.

Ajala (2014) study focuses on the impact of workplace spirituality and employees' wellbeing at the industrial sector in Nigeria. The participants were drawn from three firms representing three industrial sectors (Food & Beverages, Publishing, Agro allied) in Oyo state, Nigeria. The descriptive survey research design of the ex-post-facto type was used for the study. A total of two hundred and seventy – five (275) participants were involved in the study. The result shows significant impact between workplace spirituality and employees' wellbeing at the industrial sector.

**3.0 Research Methodology**

**3.1 Research Design**

The study adopted a survey design in examining the effect of workplace spirituality on the employees’ performance in Benue State University. The descriptive survey design method was useful in exploring how workplace spirituality affects the employees’ performance. It is an efficient approach of collecting data regarding characteristic of sample of a population and conditions.

**3.2 Population**

Population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate. The research targeted all employees who are Academic staff of Benue State University which totally 712.

**3.3 Sample Size**

The sample size refers is a determined unit from the entire population of the study. To scientifically generate the sample size, the Taro Yamane’s (1964) formula was applied;

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

Where *n* = Sample size

1 = Constant value

*N* = Population size

*e* = Proportion of sampling error in a given situation.

The researcher assumed 95% confidence level leaving 5% which 0.05 level of significance

**4.1 Data Presentation and Analysis**

**Table 4.1:** To determine the effect of Workplace Spirituality on Employees Productivity in Benue State University Makurdi.

Statement	Degree of response					
	SA	A	U	D	SD	TOTAL
i) Understanding the impact of workplace spirituality enhances the productivity of the employees.	86	104	24	12	9	235
ii) The university performance has increase since there is proper awareness on workplace spirituality.	91	98	22	10	14	235
iii) Productivity of the organization will be at its best course when employees work with good mind, soul and spirit.	110	78	19	13	15	235

$$n = \frac{712}{1 + 712(0.05)^2}$$

$$n = \frac{712}{1 + 712(0.0025)}$$

$$n = \frac{712}{1 + 1.78}$$

$$n = \frac{712}{2.78}$$

$$n = 256$$

The sample size of this study is 256

**3.3 Data Collection**

The primary sources of data collected for this study which is a structured questionnaire conducted by the researcher within the premise of the Benue State University and was administered to all employees who are Academic staff of the University.

**3.4 Data Analysis**

Frequencies and percentages were used to answer the research questions and were presented using tables while linear regression analysis was used to determine the extent to which the independent variables explained a change in dependent variable in the hypothesis.

**4.0 Reports of Finding**

Out of 256 copies of questionnaire were administered to the respondents who are employees of the University. Only 235(92%) were used for the investigation.



iv) Personal fulfillment and work balance by employees stimulate workplace spirituality.	94	92	16	20	13	<b>235</b>
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Source: Field survey, 2021.

Table 4.1 shows that 86 respondents representing 36.6% strongly agree on the statement that understanding the impact of workplace spirituality enhance the productivity of the employees. 104(44.3%) agree, 24(10.2%) were undecided, 12(5.1%) disagree and 9(3.8%) strongly disagree. Likewise, 91 respondents representing 38.7% strongly agree on the statement that the university performance has increase since there is proper awareness on workplace spirituality. 98(41.7%) agree, 22(9.4%) were undecided, 10(4.3%) disagree and 14(5.9%) strongly disagree. Similarly, 110 respondents representing 46.8% strongly agree on the

statement that productivity of the organization will be at its best course when employees work with good mind, soul and spirit. 78(33.2%) agree, 19(8.1%) were undecided, 13(5.5%) disagree and 15(6.4%) strongly disagree. Finally, 94 respondents representing 40% strongly agree on the statement that personal fulfillment and work balance by employees stimulate workplace spirituality. 92(39.1%) agree, 16(6.8%) were undecided, 20(8.5%) disagree and 13(5.5%) strongly disagree.

**Table 4.2:** To evaluate the effect of Workplace Spirituality on Employees Job Satisfaction in Benue State University Makurdi.

Statement	Degree of response					
	SA	A	U	D	SD	TOTAL
<b>Employee Job Satisfaction</b>						
i) Employees' job satisfaction has improved after undergoing seminar on workplace spirituality.	105	85	15	18	12	<b>235</b>
ii) Workplace spirituality have significantly influence on employees motivation and perception.	89	99	20	16	11	<b>235</b>
iii) Meaningful work and sense of community were developed in order for employees to be satisfied.	95	96	14	13	17	<b>235</b>
iv) Employees who lead themselves towards level of spirituality in the workplace are always satisfied.	100	90	17	12	16	<b>235</b>

Source: Field survey, 2021.

Table 4.2 shows that 105 respondents representing 44.7% strongly agree on the statement that employees satisfaction have improve after undergoes seminar on workplace spirituality. 85(36.2%) agree, 15(6.4%) were undecided, 18(7.7%) disagree and 12(5.1%) strongly disagree. Also, 89 respondents representing 37.9% strongly

agree on the statement that workplace spirituality have significantly influence on employees' motivation and perception. 99(42.1%) agree, 20(8.5%) were undecided, 16(6.8%) disagree and 11(4.7%) strongly disagree. In the same way,95 respondents representing 40.4% strongly agree on the statement that meaningful work and sense of community were developed in order for



employees to be satisfied employees.96(40.9%) agree, 14(5.9%) were undecided, 13(5.5%) disagree and 17(7.2%) strongly disagree. Lastly, 100 respondents representing 42.6% strongly agree on the statement employees who lead themselves towards level of spirituality in the workplace

are always satisfied. 90(38.3%) agree, 17(7.2%) were undecided, 12(5.1%) disagree and 16(6.8%) strongly disagree.

**4.2 Hypotheses Testing and Discussion**

**H01:** Workplace Spirituality has no significant effect on Employees Productivity in Benue State University Makurdi.

**Table 4.3: Hypothesis testing for Workplace Spirituality and Employees Productivity**

Model Variables	R	R <sup>2</sup>	β	T	F	p-value
Constant	-	-	1.07	2.34	-	-
Employees Productivity	0.79	0.64	0.75	10.31	412.43	0.000

*Source:* Linear Regression Analysis Results using SPSS version 24

*Note:* Regression significant at 5% level of significance.

**Interpretation**

Table 4.3 shows the prediction equation being Workplace Spirituality = 1.07 + 0.75(Employees Productivity) telling us that the employees productivity are predicted to have increase by 0.75 when the workplace spirituality variable goes up by 1%. The value of 0.79 indicates a linear regression with 64% of the variation in the dependent variable revealed by the coefficient of determination (R<sup>2</sup>), while the remaining 36% was due to

other factors not presumed in the variation model. The regression results showed that the workplace spirituality significantly have effect on employees productivity in Benue State University with (β = 0.79; p value = 0.000 and t value = 10.31) and thus the null hypothesis was rejected.

**H02:** Workplace Spirituality has no significant effect on Employee Job Satisfaction in Benue State University Makurdi.

**Table 4.4: Hypotheses testing for Workplace Spirituality and Job Satisfaction**

Model Variables	R	R <sup>2</sup>	β	t	F	p-value
Constant	-	-	1.18	3.93	-	-
Employees Job Satisfaction	0.78	0.61	0.89	19.06	363.48	0.000

*Source:* Linear Regression Analysis Results using SPSS version 24

*Note:* Regression significant at 5% level of significance.

**Interpretation**

Table 4.4 shows the prediction equation being Workplace Spirituality = 1.18 + 0.89(Employees Job Satisfaction) telling us that the employees Job satisfaction are predicted to have increase by 0.89 when the workplace spirituality variable goes up by 1%. The value of 0.78 indicates a linear regression with 61% of the variation in the dependent

variable revealed by the coefficient of determination (R<sup>2</sup>), while the remaining 39% was due to other factors not presumed in the variation model. The regression results showed that workplace spirituality have significantly effect on employees job satisfaction in Benue State University with (β = 0.78; p value = 0.000 and t value = 19.06) and thus the null hypothesis was rejected.

### 4.3 Discussion of Findings:

- iii) In the first test, the value of *p-value* of 0.000 which is less than 0.05 acceptance levels is rejected and the alternative value which states that workplace spirituality significantly have effect on employees productivity in Benue State University Makurdi was accepted. This result is consistent with the study conducted by Yogesh & Srishti, (2010) and Vallabh & Singhal (2014) which support that, spiritual values and practices in an organization found to have positive impact on employee productivity which enhance the human health and psychological wellbeing of the employee.
- iv) The second test revealed that the value of *p-value* of 0.000 which is less than 0.05 acceptance levels is rejected and the alternative value which states that workplace spirituality have significantly effect on employees job satisfaction in Benue State University was accepted. This study is in line with research carry by Mohd-Yusof & Mahadzirah (2014) and Mahmoud et. al, (2018) in their various study shows that Job satisfaction lead employees' towards an increased level of spirituality in the workplace by using specific cognitive strategies.

## 5.0 Conclusions and Recommendations

### 5.1 Conclusions

The study concluded that workplace spirituality positively influences employees' job performance and employee productivity and could hold important inferences for organization outlook. Job Performance desires should be designed to improve the spirituality level of all employee categories in the organization.

### 5.2 Recommendations

- i) The study recommended that, the workplace spirituality should play an important role in making the employee

more productive and satisfied in the organization.

- ii) Employees who are working in an organization should respect the functions of spiritual activities. Similarly, management of the organizations should make the respective workplace spirituality confident.

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## Appendix

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.799 <sup>a</sup>	.639	.637	.617

a. Predictors: (Constant), Employees Productivity

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	156.905	1	156.905	412.427	.000 <sup>b</sup>
	Residual	88.644	233	.380		
	Total	245.549	234			

a. Dependent Variable: Workplace Spirituality

b. Predictors: (Constant), Employees Productivity

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.072	.209		2.342	.232
	Employees Productivity	.749	.049	.799	10.308	.000

a. Independent Variable: Workplace Spirituality

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.781 <sup>a</sup>	.609	.608	.642

a. Predictors: (Constant), Employees Job Satisfaction

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	149.632	1	149.632	363.483	.000 <sup>b</sup>
	Residual	95.917	233	.412		
	Total	245.549	234			

a. Independent Variable: Workplace Spirituality

b. Predictors: (Constant), Employees Job Satisfaction

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.184	.199		3.925	.055
	Employees Job Satisfaction	.888	.047	.781	19.065	.000

a. Independent Variable: Workplace Spirituality

# Globalization and the Agricultural Sector in Nigeria

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## ABSTRACT

*The study seeks to examine imperative of globalization on agricultural sector in Nigeria. Relevant and related literature of numerous authors and researchers were reviewed which contributed to the understanding and improvement of the study. The study adopted a survey research design. This research design was considered appropriate because it enables the researcher to study large population. The paper concludes that the ongoing process of globalization has impacted all the sectors of economy including agriculture. Globalization has not only offered a numerous opportunity but also threats to countries that are not adequately prepared to face its challenges. Globalization has offered immense opportunities for Nigerian farmers to explore their agricultural products in world markets, as well as helping to bridge the gap and provide solution to problems with the assistance of developed countries and international organizations. It was recommended that in the agricultural sector, constant application of new idea should be encouraged because it is essential to enhance productivity in the interest of the economic wellbeing of farmers and for guaranteeing food security. Also, globalization in the context of agriculture should be encouraged because it improves productivity, efficiency in agricultural exports and value-added activities as well as bridge access to domestic and international markets.*

**Key words:** *Globalization, Agriculture, Productivity, Exports.*

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## **Introduction**

### **1.1 Background of the study**

The importance of globalization on every sector of economy has become imperative owing largely to the growing competitions which “have accelerated the need for knowledge intensive, work performance in all the sectors of the economy including agriculture”. Globalization has impacted all sectors of the economy including the agricultural sector. It has offered enormous opportunities to communities including threats to countries that are not significantly prepared to face its challenges. It has created competitiveness, uncertainty, turbulence, needs for adaptation to change and timely adoption and absorption of technologies (Malhan & Shivarama, 2007).

Globalization is a super national phenomenon which transcends national frontiers, it is the proceed by which events, decisions and activities in one part of the world have significant consequences for other parts of the globe. Globalization represents closer integration of the world economy resulting form increase in trade, investment, finance and multi country production network of Multinational Cooperation (MNCs) (Jorginder, 2016). It extends beyond economic interdependence to include dilution of time and space dimension as a result of spread of information technology. Technology advancement in computing and telecommunication have reduced the distance among various functionaries and brought them closer. Thus, the cost and time of transaction have reduced considerably and these will continue falling further (Jorginder, 2016).

The term globalization has taken centre stage nowadays in the face of rising competition among MNCs and low rate of return in developed countries, without taking into consideration the plights of millions of the poor living in the third world countries (Dasgupa, 2010).

It is sufficed to note that no recent economic phenomenon has received more attention than globalization in scholarly articles as well as in the policy arena and even among lay-people.

Again, no other phenomena have so polarized the discussion around two contrasting views, which ultimately reflect alternative assessments of globalization ((Donato, 2006). Its critics have argued that it has exploited massive disruption to their lives and produced few benefits in return. Supporters point to the significant reduction in poverty achieved by counties which have embraced integration with the world economy such as China and India are aiming at now. Irrespective of which side of globalization people stand on, both critics and supporters would agree that;

- b. the space of globalization is uneven across the world, and
- c. its outcome is differentiated. Thus, paper address the two issues above by firstly looking at benefits of globalization on agriculture as well as losses with the view to supporting the imperatives of or otherwise of globalization on agricultural sector.

A body of literature abounds in globalization for development in almost all sectors of the economy. For instance, the United Nations (UN, 2008) noted that globalization has increased the integration of national markets and the interdependence on countries worldwide for a wide range of goods, services, and commodities. The UN posits that globalization necessitates improving the quantitative benchmark of integration in international trade through increased trade performance, increasing shares in world trade and in Gross Domestic Product (GDP). Move opportunity; “a major improvement in the qualitative benchmarks of integration – such as increased competitiveness and enhanced productivities capacity, adequate and modern infrastructure (physical and social), trade facilitation, human resource development,

diversification, higher value addition of production and exports, employment generation, a second financial and investment, climate, competition culture, technological advances, and more environmentally sustainable and climate – friendly production, consumption and trace patterns” (UN, 2008 p.vii).

Of course, “trade-driven globalization” has reached unprecedented pace, scope and scale. It has spawned new opportunities and realities as well as persistent challenges to the acceleration of economic growth, development and poverty reduction. Some developing countries are beginning to realize the prospects of a more beneficial integration – both quantitative and qualitative - in the global economic and the international trading system. For many others, an increased quantitative integration has not had positive results (UN, 2008). Often their liberalization has not translated into qualitative gains with wide spread and structural developmental impact. Still others have seen only partial gains (UN, 2008). There is concern that the costs of trade driven globalization maybe economically, socially, politically and environmentally unsustainable resulting in increasing inequalities and the loss of social cohesion within and across countries (UN, 2008). This means that for such counties, it has meant not for incurring costs, - including from adjustment to trade liberalization, intensified competition, and reduced policy space but also increased vulnerability to external shocks (UN, 2008).

The food and agricultural organization (FAO) (2001 a) buttress that globalization in agriculture ushers in openness and development. For instance, Viet Nam’s rapid economic and agricultural development over the 1990s is commonly regarded as one of the most successful development stories of the last decade. Alongside the expansion of trade flows (FAO, 2001a), another feature of globalization has been the rapid growth in

international capital flows. Transnational Corporations (TNCs) and Foreign Direct Investment (FDI) have been driving forces being expanding their reach beyond national boundaries. Through TNCs and FDI, affect production level and composition, production technology labour market and standards and eventually also trade consumption patterns. Through their control over resources, access to markets, and development of new technologies, TNCs, have the potential to integrate caution into global markets. The U.N and World Bank (as cited in FAO, 2001a) five benefit, that FDI can create for development as, access to capital access to technology, access to markets, enhanced skills and management techniques and help to other sources underline and quantify the potential that TNCs have in generating productivity gains. Sachs and Warner, Bail and Gersbach (as cited in FAO, 2001a), stress that the potential for productivity gains is particularly large were TNCs reinvest profits in host countries, create forward and backward linkages with local firms, upgrade the performance of a country’s firms through the provision of superior expertise and techniques and hence boost growth.

In spite the vast potential of FDI, there a number of reasons to suggest that simply opening up a country’s border to FDI may be the best way to reap the benefits. For instance, there is substantial differences in the “quality” of FDI flows and governments may have to intervene in the process of channeling FDI. Further, the complementarity of the FDI package means that governments face trade-offs between different benefits and objectives. On the part of TNCs, they can repatriate much of the profit that they generate from their own investments in developing countries.

Mallam and Shivavama (2007) in their study on impact of globalization and emerging information and communication technology on agricultural knowledge transfer to small farmers in India and that in the

agricultural sector constant application of latest ideas and better work technologies is essential to enhance productivity in the interest of economic wellbeing of farmers and for ensuring food security.

Studies by Pimbert, Tom and Prajateerpu and United States Agency for International Development (USAID). (as cited in Mallam & Shivarama, 2007), report that globalization as offered immense opportunities for Indian farmers to export their agricultural products in world markets and a greater awareness of opportunities and alternative, for farmers to enhance their income from farming. Similarly, globalization is helping to provide solutions to problems with the help of developed countries and international organizations.

In another study-agriculture in the age of globalization, Donato (2006), found impact of globalization on dramatic changes in world agricultural trade and unprecedented growth of agricultural trade on real terms and dramatic change in its composition which is increasingly moving away from bulk commodities towards high-value processed consumer ready agricultural goods. However, the impact of these changes on less developed countries (LDCs) agriculture have been quite differentiated with most countries experiencing a worsening of their agricultural trade balance (Donato, 2006). The authors observe that the implication of the LDC agriculture do not seen encouraging. The poverty of these economics, with the implied burden in terms of missing assets to compete under the new rules of the game and some adverse globalization-induced changes in LDC macro fundamentals are critical handicaps that work against the development of LDC agriculture. In other words, the underlying forces driving globalization, that is, increasing returns to scale, research, development of new products and so forth, “undermine the traditional role of agriculture

as engine of economic growth”, development and livelihood.

Despite the fact that some studies have been conducted on globalization of agricultural sector, none has specifically focused on the imperative of globalization of agricultural sector. More so literature so far reviewed indicate conflicting views on globalization of agricultural sector. For instance, studies of Mallam and Shivanama (2007), Pinbevt, Tom and Prajaleeupu(2007), Donato (2006) reported immense opportunities offered by globalization of agriculture to Indian farmers on the other hand, Donato (2006) again reports impact of globalization of agriculture has been differentiated with worsening conditions of LDCs and that the so-called changes are critical handicaps that work against the development of LDCs agriculture. This paper intends to bridge the aforementioned controversies by drawing on content analysis to determine impetrations of globalization on agricultural sector.

## **1.2. Conceptual Review**

Globalization refers to the “ongoing process of rapid global economic integration” facilitated by lower transaction costs and lower barriers to movements in capital and goods (FAO, 2019). It has shown itself in a growing interdependence of the world’s economics, rapidly rising trade flows, increases in capital movements and an increasing internationalization of production, often organized within and between Multinational Corporations (MNCs). To a large extent, globalization has been brought about by a massive reduction in transaction costs, which in turn was made possible through more efficient transportation and communication facilities as well as innovations in organizing complex logistical processes (FAO, 2001a). Trade and capital flows have also been boosted by a systematic reduction in trade and investment barriers.

This process has brought about massive income gains for those who participated (FAO, 2001a).

In the view of Mallam and Shivarama (2007), globalization has not only offered “enormous opportunities” but also threats to communities that are not adequately prepared to face its challenges. According to the authors, globalization has created turbulence, uncertainty, competitiveness, need for adaptation to change and timely adoption and absorption of technologies. Asian Technology Parks (2000) aptly state: “As the world is globalizing a global knowledge and information have become significant factors for production of goods and services. They affect the international Division of labour, determine the competitiveness of economics and corporations, generate new Growth patterns and in the Process spawn new products Jobs and livelihood” (P.3).

Globalization has affected the poor and illiterate people of the world particularly the rural people and small, farmers having small land holdings (Mallam & Shivarama, 2007). Moreover, many of them have no access to information and other facilities that can help to enhance tier participation in economic development, improve their productivity, income and living condition (Ibid). According to Bage, (2005), of the world’s 1.09 billion extremely poor people, about 74 percent (810 million) live in marginal areas and rely on small scale agriculture for their livelihood. In most developing countries, agriculture continues to be the most important sector of the economy, accounting for the biggest proportion of employments. The UN (2008) asserts that globalization is increasing the integration of national markets and the interdependence of countries worldwide for a wide range of goods, services, and commodities. According to the UN, several factors have played important roles in the

recent expansion of trade - the growing integration of economies and the increasing contribution of trade to development. These factors include; the liberalization of tariffs and other barriers to trade; foreign direct investment through trade and investment negotiations and agreements; autonomous unilateral structural reforms; technological innovations and transport and communications, international solidarity through supportive measures (like trade preferences) and the strategic use of policies, experimentation and innovation.

Economists have been asserting for a long time that trade liberalization is good for economic development, particularly in developing countries. The benefits from openness are assumed to arise from the efficiency gains that flow from superior resource allocation decisions in more open markets (FAO, 2001 a). The result is an increase in economic growth. Empirical studies suggest that openness to trade and investment flows has had a positive effect not only on economic growth but also in helping to fight poverty. Among the most influential empirical studies are those by Edwards (2016) and by the World Bank (Dollar & Kraay, 2017), Wolf (2018) summarizes much of this literature; the first concerns the link between growth and openness. Dollar and Kraay examine this relationship, using an econometric study covering a sample of 72 developing countries. The writers (Dollar & Kraay) arrived at a number of important conclusions;

- i. Weighted for population, the per capital income of the group of globalizers grew at 5 percent a year in the 1990s, compared with 1.4 percent for the non-globalizer group.
- ii. Growth rates for the globalizers have been steadily increasing since the mid-1970s, while those for the non-globalizers fell sharply in the 1980s

and recovered only marginally in the 1990s.

- iii. Per capital income among the globalizers is rising more than twice as fast as in industrialized countries while the non-globalizers are falling further behind.

On a population – weighted basis, countries that are open are growing 3.6 percent a year faster than others. On this basis Dollar and Kraay (2017) argue that the average income in a globalizing economy would double every 14 years, compared with 50 years to a non-globalizing economy, a growth gap that would have profound implications for poverty reduction.

On closer observation, however, some of the numbers look less impressive. One reason for this is that averages have the effect of obscuring important differences between countries, especially when samples are weighted for population (since this means that large countries such as China have a disproportionate influence). Using an unweighted average, the per capital growth rate for the globalizers in the 1990s falls to 1.5 percent. Moreover, ten of the 24 countries in the group have growth rates of 1 percent or less. Further disaggregation reveals that one-third of the globalizing countries have however average growth rates for the 1990s than the “non-globalizing” group (FAO, 2001 a). It may be observed that the link between openness and growth is one of the correlations but not, or at least not necessarily one of causation. Openness is essentially an economics outcome, captured (in the World Bank Study) by the ratio of trade to GDP but not an input, that is, policy tool to arrive at higher growth (Dollar & Kraay, 2017).

There is increasing acknowledgement that despite an apparent irreversibility and spontaneity, it is possible to manage globalization process towards better development outcomes.

It is not an overstatement that the growth and development of any nation depends to a large extent on the development of agriculture. Unlike traditional development economists such as Arthur Lewis who believed that agriculture plays a passive and supportive role, modern development economists have come to realize that the agricultural sector in particular and rural economy in general must play an indispensable part in any overall strategy of economic progress, especially in developing countries (Ehigiamusoe, 2012). Of most importance is that, majority of the world’s poor live in the rural areas and depend upon agriculture for their livelihood. Agriculture is therefore critical both for poverty reduction and economic development. Generally, agricultural sector continues to play crucial role for development, especially in low-income countries where the sector is large both in terms of aggregate income and total labour force (Abayomi, 1997). Any stagnation of agriculture in any nation is the principal explanation for poor economic performance, while rising agricultural productivity has been most important concomitant of successful industrialization. Generally agricultural sector contributes to the development of an economy through; product contribution, factor contribution, market contribution and foreign exchange contribution (Abayomi, 1997).

Globalization and internationalization are not new to agriculture-since the 1970s farmers’ incomes became heavily dependent on their success in selling products in international markets (Michael, n.d.). More so the development of agreements such as General Agreement on Tariffs and Trade Area “(NAFTA)” have been the focal point much of the globalization discussion with the emphasis on broader access to world markets and expanding exports of agricultural commodities and particularly further processed agricultural and food products (Michael, n.d.).



The pre- Uruguay Round GATT multilateral trade system was also accompanied by a series of international commodity agreements for Coffee sugar, rubber and tin, concluded under the aegis of the United Nations (UN) through United Nations Conference on Trade and Development (UNCTAD), as well as for dairy and bovine meat, concluded within the GATT (FAO, 2001a). essentially, these agreements were multilateral undertakings on prices and supplies between the main exporting and importing countries.

Globalization has positively affected the poor and illiterate people of the world particularly the rural people and small farmers having small land holdings (Malthan & Shivarama, 2007). For instance, in India, as stressed by Malthan and Shivarama (2007), globalization has offered immense opportunities for Indian farmers to export their agriculture products in world markets as well as concentrates on herbs and agricultural commodities that are in great demand in world markets, example, Indian mangoes, Safed Musli (Indian Viagra). The authors further state that “globalization has brought greater awareness of opportunities and alternatives for farmers to enhance their incomes from farming by switching from subsistence farming to cash crop farming”. The globalization is helping to “bridge the technological gap and provide solutions to problems with the aid of developed countries and international organizations”. Globalization in the context of agriculture can best be discussed in three components namely-improvements of productive efficiency by ensuring the convergence of potential and realized outputs; increase in agricultural exports and value added activities using agricultural produce, and improved access to domestic and international markets that are either tightly regulated or overly protected. Mahadevan, (2003).in (Donato, 2006) show that the growth of world

agriculture trade (in real terms) during the 1990 – 2002 period was close to 4 percent annually, roughly twice as much as the growth of agricultural production, and well above the growth in agricultural trade over the 1973 – 1990 period which was only 2.4 percent. Moreover, the value of world agricultural trade rose by 40 percent in real terms between 1990 and 2002. (Gehihar and Coyle, 2001), Organization for Economic Cooperation and Development (OECD), 2003, World Trade Organization (WTO), 2004) report that the dynamic segment of world agricultural trade has been in high-value agricultural goods (i.e. the ones characterized by a high service component as a share of the value of agro-food final goods). For instance, the World Trade Report 2004 (WTO, 2004) reported that trade of processed (i.e customized) agro-food products expanded significantly faster than trade of semi-processed and unprocessed (i.e. bulk) agricultural products throughout the 1990s, rising from 42 gupercnt in 1990-91 to 48 percent of global agricultural trade in 2001 – 2002.

Globalization has also ushered in liberalization for economic development through openness particularly in developing countries. The benefits for openness are assumed to arise from the efficiency gains that flow from superior resource allocation decisions in work open markets. The result is an increase in economic growth.

Robbins, and Ferris (2003). Study on the impact of globalization on the agricultural sectors of East and Central African looks at the process and impact of globalisation on agriculture. It attempts to set these issues in an historical context, to highlight the main issues that need to be addressed, and to list important questions that need to be asked of policy makers throughout the agricultural industry. In order to explore the main issues facing African countries, this report includes the following themes: trade liberalisation



agricultural markets the post adjustment agenda profile of individual countries. The authors argue that East and Central African countries have not appreciated the scale and implications of the changes brought about by globalisation and that, without urgent action on their part, they may seriously weaken their economies in the years ahead. Measures need to be adopted by a very wide range of agencies in both the public and private sectors. These range from a major effort to increase the understanding of issues in multilateral trade negotiations, urgent efforts to devise strategies to reduce economic dependence on primary commodities, and major reforms of agricultural development and research strategies. Main policy suggestions include: strengthening negotiating capacity in trade talks managing the oversupply of primary product exports enforcing existing trade protection stimulating production of added value products establishing an agricultural market analysis unit; a national market education program; and a market information service strengthening agricultural research and extension and services reducing imports of goods that can be competitively produced domestically strengthening the legal framework for market activity.

### **1.3. Statement of the problem**

Globalization increases the interdependence of world economies due to the growing scale of cross-border trade in goods or services and international capital flows. However, many countries are still cautious or reluctant in implementing globalization. The KOF Swiss Economic Institute statistics show that the globalization index for high-income countries was 74.74 in 2018. In the same period, the upper-middle-income, lower-middle-income, and lower-income countries' globalization index was 57.11, 50.70, and 41.26 respectively.

The developing countries are faced with these difficulties. The largely subsistence

agricultural sector has not kept up with the country's rapid population growth. Nigeria was once a large net exporter of food, but currently imports some of its food products. Mechanization has led to resurgence in the manufacturing and exporting of food products, and there was consequently a move towards food sufficiency. This study is carried out to examine the imperative of globalization on agricultural sector in Nigeria. And to examine whether globalization has any effect on agricultural sector in Nigeria and to determine whether there are benefits of globalization on agricultural sector in Nigeria.

### **1.4. Objectives of the study**

This study was designed to examine the imperative of globalization on agricultural sector in Nigeria.

Specifically, the study seeks to;

- i. Examine whether globalization has any effect on agricultural sector in Nigeria.
- ii. Determine whether there are benefits of globalization on agricultural sector in Nigeria.
- iii. To ascertain the degree to which agricultural sector in Nigeria is globalized.

### **1.5. Empirical Review**

Ojo, (2018). Study on Globalization and Agricultural Productivity Paradigm, Nigeria Perspective was carried out to provide empirical information on agricultural productivity in Nigeria with focus on the impact of globalization. This is necessitated on the agricultural revolution resulting from the elongated recession the nation is passing through. The study made use of annual time series data spanning from 1986 to 2015 of globalization proxied by foreign direct investment (FDI) to agriculture, degree of openness, foreign exchange rate and consumer price index to assess the impact of globalization on agricultural productivity proxied by the output of agriculture. The

study adopted Error Correction Model to test for the short run relationship having employed Augmented Dickey Fuller and Phillips-Perron unit root tests to verify stationarity of the variables used. While bounds Autoregressive distributed lag testing approach was employed to account for the long run relationship of the explanatory variables on the dependent variables. The result of the data analysis indicated that foreign exchange, degree of openness and foreign direct investment were not statistically significant in influencing the favorable trend of agricultural productivity in Nigeria, thus, its growth potential. However, consumer price index impacted positively on agricultural productivity to a larger extent. The study concluded that globalization has no significant impact on the growth of agriculture productivity in Nigeria. The study thus recommended that government should demonstrate proactive will in redirecting economic policies that would make the economy to be agricultural driven system through aggressive diversification of the economy in order to key into global world system. This must be reflected in increased investment and FDI into agricultural sector of the economy.

Jonathan, Oladapo, and Adedolapo, (2015) study on Globalization and the Nigerian Manufacturing Sector examined the impact of globalization on the manufacturing sector of Nigeria. In line with the objectives of the study, secondary data were obtained from World Bank Development Indicators (WDI) database covering the period of 1980 to 2013. The degree of openness, foreign direct investment, exchange rate and inflation rate were used to capture the causal relationship between globalization and the manufacturing sector of Nigeria, the impact of globalization on the manufacturing sector of Nigeria as well as the opportunities, challenges and risks of globalization and their implications for sustainable development in

Nigeria. The study employs Vector Auto-Regression (VAR) model for this purpose. Findings showed that the results of the study significantly support the theoretical expectation that when a country interacts more with others, it raises the general production level and hence, manufacturing output. This implies that a positive relationship exists between globalization and the manufacturing sector of Nigeria. The study recommends that the Nigerian government should ensure continuous openness of its economy in a beneficial way and as well put up measures to stem up the confidence of investors in the activities of the manufacturing output. Also, it should ensure that the rate of inflation and exchange are steady in a manner that would encourage people to involve in the activities of the manufacturing sector.

Dogo. and Ismaila. (2019) carried out a study to examine the Impacts of Globalization to Agricultural Production in Developing Economic of Nigeria. The study found out that the agricultural activity in the Nigeria is known to be the panacea of the economy growth of the country where it contributes an approximate of 69-70 % to it labor force. Its impacts to the country GDP has shown a serious drop down continuously over the years as a result, leading to a lower productivity index. It contribution to economic of the country GDP at present is 23.587 % with about 6-7 % in terms of it incomes from exportation. The statistic uses a bar chart graph, the highest GDP obtained was 37.5% in 2009 and lower GDP of 17.4% was also obtained in year 2018. The variance was 34.89 with a confidence interval of 3.96 at 95% confidence. The data obtained were secondary data from national bureaus of statistics. The study made use of annual time series data spanning from 2008 to 2018 of production with degree of fairness, and production output to assess the impact of globalization on agricultural productivity as a

proxies to the output of agriculture in Nigeria, to eliminate the existing imbalance to agricultural business, and to employ the process that will aid agricultural reforms across various sector of production. These studies concluded that the impact of globalization has not significantly improved on the growth of agriculture activities in Nigeria.

Margaret, Dani, and I' N~ IGO (2014). Study on Globalization, Structural Change, and Productivity Growth, with an Update on Africa. Maintained that a large gaps in labour productivity between the traditional and modern parts of the economy are a fundamental reality of developing societies. The paper documents these gaps, and emphasize that labor flows from low-productivity activities to high productivity activities are a key driver of development. The results show that since 1990 structural change has been growth reducing with labour moving from low to high productivity sectors in both Africa and Latin America, with the most striking changes taking place in Latin America. The results also show that things seem to be turning around in Africa: after 2000, structural change contributed positively to Africa's overall productivity growth. For Africa, these results are encouraging. Moreover, the very low levels of productivity and industrialization across most of the continent indicate an enormous potential for growth through structural change in global agricultural sectors.

Obayelu and Obayelu. (2014), study on the Strengths, Weaknesses, Opportunities and Threats (Swot) Analysis of the Nigeria Agricultural Transformation Agenda (ATA). Found out that Agricultural Transformation (AT) requires a new and different approach to policy making and implementation. It entails search by government for greater integration and co-ordination, looks for an approach that is characterized by greater partnership between federal, state and local government,

economic entities, private industry and other community groups. The process involves diversification in the sector to meet changing domestic and trade demands. This study was mainly contents review of relevant literature and use of situation analysis. We examined agricultural policies changes in Nigeria and draw some lessons from successful agriculturally transformed countries. The results show that, bypassing small farmers during the process of AT is capable of marginalizing a large group of the rural population and cause social tensions. AT requires a comprehensive long term strategy that needs to be supported by long term commitment from the government and international development partners. The various steps Nigeria had taken in its AT process are necessary but not sufficient conditions for a successful transformation. Successful AT must be broad-based with efficient infrastructural investments in roads network, irrigation, consistent energy supply, high-speed and affordable communications, clear and consistent long-term policies, good working relationship among ministries and governmental bodies, effective rule of law, and good adaptation and mitigation measures consistent with sustainable development.

Anselm A. Enete and Taofeeq A.

Amusa (2010) study on the Challenges of Agricultural Adaptation to Climate Change in Nigeria found out that climate change is the most serious environmental threat to the fight against hunger, malnutrition, disease and poverty in Africa, mainly through its impact on agricultural productivity. This paper discusses the challenges of agricultural adaptation to climate change in Nigeria under the categories (adapted from FAO, 2001).

Hunger and Poverty; Agricultural funding for research and technology development; Traditional agricultural practices; Trade Liberalization and Market Development; Policies, Institutions and Public Goods; and Information and Human Capital.

The rural populations, who produce more than 70% of the food eaten in Nigeria, are disproportionately poor and face malnutrition and disease. Both government and the private sector, which should drive the sector through consistent policies, robust funding and infrastructure development, have failed to accord this problem the priority it deserves. Moreover, the anticipated benefit from trade liberalization has failed to trickle down to the African farmer, coupled with the inefficient local marketing systems. In addition, the farmers are slow in changing their farming practices such as bush burning, deforestation and rain-fed agriculture and they lack the requisite education, information and training necessary to adapt to climate change. It is recommended that the government should not only decentralize its programs on poverty/HIV-AIDS and agricultural research (funding and activities), but should make them participatory. In addition, there should be an explicit national agricultural policy framework, adequate provision for irrigation, drainage, weather forecasting and other agricultural technology infrastructure, an incentive for training in agriculture, participatory and on-going capacity building for farmers, drought resistant and short duration high yielding crops development, integration of indigenous and modern knowledge on climate change adaptation, strengthening of the extension services, and encouragement for the formation of farmer groups.

Hussain. (2018). Study on the Impact of globalization on Nigerian rural-agricultural economy. Globalization in the pass decades has done significant impact on the agricultural as well as the economic sector of the third world nations particularly Nigeria. Nigeria is the most populous African Nation with the population of over 140 million according to the 2006 population census. Considering its position in Africa occupying number one position in terms of economic growth and

development, over 52.7 percent of the nation population is living in rural areas and produced 90 percent of the food consumed. It is pertinent that any policy that would be introduced must positively have impact on these majority rural dwellers. Globalization has both negative and positive impact, to some, the changes are beneficial while to others are harmful. It eased international trade and commerce, facilitated foreign investment and the flow of capital. It also led to the cultural diffusion and the spread of new ideas and values, therefore it creates a global village out of the larger world. Despite these positive changes so introduced it neglects the African Nations in the political sphere to the extent that they have less control of their economies and fiscal matters as a result of the imposition of the policies by the International Monetary Fund (IMF) World Bank and World Trade Organization (WTO) among which Structural Adjustment Program (SAP) have impacted the Nigerian rural economy which might be considered as the extension of neocolonialism. Illicit and drug trafficking of children and women, facilitate brain drain because of the free labour policy. The entire domestic agricultural sector is affected due to the importation of foreign mechanized and subsidized farm produced from the developed countries which make it difficult for them to compete in Nigerian market.

Onye, and Iriabije, (2016) investigates the part that globalization has played in the performance of selected key sectors of the Nigerian economy by relying on a tripartite error correction representation of the effects of globalization on manufacturing sector, agricultural sector and international trade. They incorporate a pre- and Post- economic globalization dummy in an Engle Granger two-step Error Correction Model (ECM). Our findings reveal that except for the agricultural sector, economic globalization (compared to none) has not contributed to an improvement in manufacturing output and Nigeria's

external balance position. Trade openness and net capital inflow have short term positive and insignificant effect on agricultural output (AGR); but the effect became negative and detrimental to agricultural production in the long term period. Contrastingly, foreign direct investment in agriculture has significantly contributed to an increase in agricultural production over the long term period. The error correction mechanism indicates disequilibrium in Nigeria's external balance position that is divergent, oscillatory and explosive, implying a damaging effect of unfettered globalization on Nigeria's external balance. It is, therefore, recommended that Nigeria should adopt selective globalization policies to improve its external balance position and raise production in its manufacturing and agricultural sectors.

Nwezeaku. (2007). Study on the Impact of globalization on the industrial growth of developing economies (evidence from Nigeria) attempt to investigate the impact of globalization on the industrial growth of developing economies with special reference to Nigeria. Globalization has facilitated the increased flow of ideas; people, goods and services across national frontiers. Some developing countries as a result of globalization have recorded appreciable increase in per capita income and marked improvement in living standards. Some others recorded stunted growth because of prevalent poor investment climate. Nigeria falls into this last category. In the paper the researcher argue using empirical data, that what Nigeria requires most, particularly at this stage of its development, is foreign participation, in the form of portfolio and direct foreign investment. This has been proved to have greater impact on Nigeria's economic growth.

Agus Dwi Nugroho, (2009). Study on the impacts of economic globalization on agricultural value added in developing countries maintains that Countries in the world have various indices for the

implementation of economic globalization (EG). This refers to positive and negative impacts arising from its implementation, especially in agriculture. This sector is still a basic source of existence in developing countries. At the same time, these countries have been unable to optimize their agricultural value-added (AVA) and only earn a low level of income. That way, developing countries need to take advantage of EG to increase income from agricultural exports and farmers' welfare. Other than that, there has been no study examining the impacts of EG on AVA in developing countries. So, this study intends to evaluate the impacts of the exchange rates, foreign direct investment (FDI) inflows, total agricultural export values, agricultural import duties, and fertilizer imports on AVA in developing countries. The panel data technique is used to assess its impact in 17 developing countries during 2006–2018. The study showed that FDI inflows and agricultural export values increase AVA in developing countries. In this study, EG positively impacts developing countries, but its implementation must pay attention to achieve sustainable development goals. We recommend developing countries focus on investments in human capital and technologies (or R&D), ensure foreign investors collaborate with local agricultural firms, increase agricultural exports, and create a conducive economic system

#### **1.6. Methodology**

The study adopted a survey research design. This research design was considered appropriate because it enables the researcher to study large population to discover the influence in distribution. Avedian (2014), described the survey design as that which is directed towards determining population's attitude, behaviours, opinions and beliefs during the time of investigation. The researcher relied on the works and research of various scholars in the field of study, drew its conclusion and made recommendations.



## 1.7. Conclusion

The study concludes that the ongoing process of globalization has impacted all the sectors of economy including agriculture. Globalization has not only offered a numerous opportunity but also threats to countries that are not adequately prepared to face its challenges. Globalization may offer immense opportunities for Nigeria farmers to explore their agricultural products in world markets, as well as helping to bridge the gap and provide solution to problems with the assistance of developed countries and international organizations.

## 1.8. Recommendation

Base on the conclusion, It was recommended that in the agricultural sector, constant application of new idea should be encourage because it is essential to enhance productivity in the interest of the economic wellbeing of farmers and for guaranteeing food security and also globalization in the context of agriculture should be encourage because it improve productivity efficiency in agricultural exports and value-added activities bridge access to domestic and international markets.

## 1.9. Contribution of this study to knowledge

The findings of the study will contribute to knowledge advancement as it will be beneficial to the following stakeholders: Government, Vice Chancellors, researchers and farmers.

The State Government, as the proprietor will find useful information on imperative of globalization on agricultural sector in Nigeria to encourage the sector.

The findings of this study may help the Vice Chancellors who serve as agents of government, chairman of the university

management team and senate, as well as member of the prime policy-making organ, the university senate council to initiate actions that will ensure that globalization in agricultural sector in Nigeria is encourage in order to foster quality and the concomitant high student performance in faculty of agricultural science.

The findings of the study may serve as a tip for students' research work in the bid to reduce student failure in both internal and external defence in theses writing on globalization in agricultural sector in Nigeria within and outside the school.

The findings of this study may hopefully assist the farmers on the important of globalization in agricultural sector in Nigeria.

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## **Work Force Diversity and Organisational Performance: A Study of Dangote Cement Plc, Gboko Plant**

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### **ABSTRACT**

*This study examined the effect of workforce diversity on the performance of Dangote Cement Plc, Gboko Plant. The specific objective of the study were to ascertain the effect of ethnic diversity and educational background on the performance of Dangote Cement Plc, Gboko, Plant. The survey research design was adopted for the study. A sample size of 151 employees was drawn from a total population of 151 management employees of Dangote Cement Company Plc., Gboko Plant using census sampling approach. The study made use of statistical techniques such as simple percentages and tables to analyze the responses of all the 143 returned questionnaires. Simple linear regression technique was adopted to determine the effect of the independent variables on the dependent variable at 5% level of significance for a two tailed test. Findings from the study revealed that ethnic diversity and educational diversity has a significant effect on the performance of Dangote Cement Plc, Gboko Plant. The study concluded that ethical and educational diversity significantly increases the performance of Dangote Cement Plc. Sequel to the findings of the study, the study recommends among others the need for management of Dangote Cement Company to improve to encourage social interactions between employees. With this, employees can learn about the culture of fellow colleagues. Such knowledge can encourage tolerance among the employees and knowledge of other culture can help to successfully carried out a specific task that requires such knowledge when the need arise. In addition, managers should try to create a holiday calendar that is culturally diverse as this can be an avenue to create cultural awareness. This can make the work environment more welcoming for the employees and can help minimize misunderstandings and enhance performance.*

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## **1.0 INTRODUCTION**

The world is gradually becoming a global village and this has brought about unavoidable interaction among people from varying backgrounds, race and culture than ever before. This is so because, people no longer live and work in a circuit as they currently constitute part of a worldwide economy competing in nearly all parts of the world. On these basis, organizations are aiming to become more diversified in order to gain competitive advantage by becoming more creative, innovative and open to useful change (Hapompwe, Mulenga, Siwale, & Kukano, 2020). Today business workplace is changing at an increased speed and the change in the employees' demographics, increase of jobs in the economy, continuing growth of the globalization and requirement for efficient and effective collaboration have surfaced as significant forces driving the importance of diversity in organizations.

With the increasing globalization and competition, the workforce in all industrialized countries has become progressively heterogeneous. Advances in technology and the advent of a worldwide economy have brought the people of the world existing in the same place, nearer to each other. Griffin & Moorhead (2014) pointed out that having a diverse workforce requires managers to identify and manage the varied attribute that exist among the employees in the organization. Therefore, businesses, educational systems and other entities are investigating ways to better serve their constituents to attract and retain the finest and most qualified employees (Gupta, 2013). On these grounds, organizations are aiming to become more diversified in order to gain competitive advantage by becoming more creative, innovative and open to useful change.

Workforce diversity is a global workplace and marketplace phenomenon (Chakraborty & Chatterjee, 2020). Workforce diversity refers to those significant differences and similarities that are present among employees within an organisation (Griffin & Moorhead, 2014). Nwinami (2014) said it represents those uniqueness which includes; an individual's personality, age, gender, ethnicity/race, religion, marital status, income, the work experience and all those views which support and sustain an organisation's core values. It also means those organisations that are turning out to be more varied with respect to its workforce composition based on characteristics as age, ethnicity, expertise amongst others (Robbins & Judge, 2013).

Diversity has increasingly become a "hot – button" issue in corporate, political and legal circles (Kowo, Kadiri & Zekeri, 2020). The world's increasing globalization needs a lot of interaction among people from various backgrounds than ever before. This is so because, individuals no longer live and work in narrow surroundings; as they are currently a part of a worldwide economy competing in nearly all part of the world (Kowo, Kadiri & Zekeri, 2020). Today business workplace is changing at an increased speed and the change in the employees' demographics, increase of jobs in the economy, continuing growth of the globalization and requirement for efficient and effective collaboration have surfaced as significant forces driving the importance of diversity in organisations (Chakraborty & Chatterjee, 2020).

The concept of performance holds a central position in the management of private and public organisations as well as in the field of organisational research (Morin, & Audebrand, 2014). Performance is a measure of how effective and efficient the mechanism/process put in place by an organisation attains its desired results (Wu, 2009). For this study,

organisational performance comprises the actual output or results of an organisation as measured against its intended outputs. This study limits itself to aspect of workforce diversities such as ethnic diversity and educational background, which are the most common aspects of diversity found in most manufacturing organisations like Dangote Cement Company Plc, Gboko Plant. For instance, a cursory survey of the company shows the company is characterized with both old and young employees, female and male, foreign and local employees with different educational qualification. In addition, these diversity variables were considered for investigation because there are absence of empirical studies in existing literature that sought to investigate the relationship between these selected workforce diversity variables such as ethnic and educational diversity and the performance of the study organisation. Thus, the need for more empirical evidence in this regards. This study is therefore a modest attempt to investigate the effect of work place diversity on organisational performance with focus on Dangote Cement Plc, Gboko Plant.

## **1.2 Objectives of the Study**

The main objective of this study is to examine the effect of workforce diversity on the performance of Dangote Cement Plc, Gboko Plant. Specifically, this study seek to;

- i. Examine the effect of ethnic diversity on the performance of Dangote Cement Plc, Gboko Plant.
- ii. Ascertain the effect of educational background on the performance of Dangote Cement Plc, Gboko Plant.

## **1.3 Research Hypotheses**

The following null hypotheses have been formulated in this study:

**H<sub>01</sub>:** Ethnic diversity does not have a significant effect on the performance of Dangote Cement Plc, Gboko Plant.

**H<sub>02</sub>:** Educational diversity does not have a significant effect on the performance of Dangote Cement Plc, Gboko Plant.

## **2.0 REVIEW OF RELATED LITERATURE**

### **2.1 Conceptual Framework**

The principal concepts examined in this paper are workforce diversity and organisational performance.

#### **2.1.1 Workforce Diversity**

Workforce diversity as a concept denotes the differences between people working in or for an organisation (Amaliyah, 2015). This can also mean the multiplicity of differences amongst individuals and the beliefs about what they identify themselves as well as how others distinguish them in that organisation (Rakhra, 2018). The concept describes the physical, sociological or psychological attributes that define an individual or group. These characteristics typically encompass demographics such as gender, ethnicity, education, socioeconomic background and also the individual's sexual orientation, geographic location, religious or political beliefs (Syed & Ozbilgin, 2015). However, diversity in the workplace goes beyond the recruitment, representation or preferential treatment of people with specific birth characteristics in an organisation. Workforce Diversity is the process whereby employers avail potential talent or current employees with equal opportunities to thrive regardless of race, ethnicity or any other distinguishing factors (Patrick & Kumar, 2012).

Diversity is the real or perceived differences between individuals (Mullins, 2010). Scott and Sims (2016) opined that human beings no matter the diversity are all naturally equipped

with different talents and aptitudes. Evans and Henry (2007) said diversity means the mixture of workforce from different socio-cultural backgrounds working together in an organisation. It could be seen as the characteristics of a social grouping that reveals the degree of objectives or subjective differences existing among groups (Mousa, Massoud, & Ayoubi, 2020).

Scott and Sims (2016) defined workforce diversity as a strategy that promotes and supports the integration of human diversity at all levels and uses focused diversity and inclusion policies and practices to guide this approach in work environment. It refers to the co-existence of employees from various social-cultural backgrounds within the company. Diversity includes cultural factors such as race, gender, age, color, physical ability, ethnicity among others. The broader definition of diversity may include age, national origin religion, disability, sexual orientation, values, ethnic culture, education, language, lifestyle, beliefs, physical appearance and economic status (Wentling & Palmarivas, 2000).

This study defines workforce diversity as the ways that people differ, which can affect a task or relationship within an organization such as age, gender, race, education, religion, and culture. All these definitions simply shows that diversity is all about these characteristics that make us different or similar to one another. In an organisational setting, a diverse workforce consists of a mixture of employees from various genders, ages, races, ethnic background, religious beliefs, etc.

### **2.2.2 Organisational Performance**

Organisational performance comprises the actual output or results of an organisation as measured against its intended outputs (or goals and objectives) (Li, Gong, Burmeister,

Wang, Alterman, Alonso, & Robinson, 2021). It is one of the most important variables in the field of management research today. Although the concept of organisational performance is very common in academic literature, its definition is not yet a universally accepted concept (Gavrea, Ilies & Stegorean, 2011).

Richard, Devinney, Yip and Johnson, (2009) view organisational performance as encompassing three specific areas of firm outcomes: (a) financial performance (profits, return on assets, return on investment, etc.), (b) product market performance (sales, market share, etc.); and (c) shareholder return (total shareholder return, economic value added, etc.). Daft (2000) defines organisational performance as the organisation's ability to attain its goals by using resources in an efficient and effective manner; effectiveness being the degree to which the organisation achieves a stated goal, and efficiency being the amount of resources used to achieve an organisational goal.

### **2.3 Review of Empirical Studies**

Li, Gong, Burmeister, Wang, Alterman, Alonso and Robinson (2021) examined workplace functional diversity and age-inclusive management as two contingent factors shaping the effects of age diversity on human and social capital in China. The hypotheses were tested with a large manager-report workplace survey data from the Society for Human Resource Management ( $N = 3,888$ ). The study was based on survey research design and analysis was performed using regression analysis. Results indicated that age diversity was positively associated with organisational performance through the mediation of increased human and social capital. In addition, functional diversity and age-inclusive management amplified the positive effects of age diversity on human and social capital.



Chakraborty and Chatterjee (2020) unearth the rationales of the adoption of gender diversity management policies and practices in India, in the absence of laws and regulations. A survey methodology was adopted. The lead researcher administered the questionnaires personally to all respondents to ensure that the understanding of the questions is uniform across respondents as gender diversity management is a relatively new concept in India. Size of the organisation (number of full-time employees), the influence of external organisations and perceived enhanced organisational flexibility were found to explain the adoption of gender diversity management policies and practices in the Indian information technology industry. Findings also indicate that Indian subsidiaries of foreign multinationals tend to adopt more gender diversity management policies and practices as compared to Indian-owned organisations.

Chakraborty and Chatterjee (2020) carried out an exploratory empirical study on gender diversity management policies and practices in Indian IT industry. The study sought to investigate whether females have different perceptions of diversity management and workplace happiness compared to their male colleagues. The study also explored whether diversity management perceptions mediate the relationship between workplace happiness and organisational citizenship behaviour. A total of 260 questionnaires from a number of public hospitals in India were analysed using both *t*-test and Structural Equation Modelling. The study found that female physicians perceive diversity management policies/protocols more positively than their male colleagues. Moreover, gender has no or little effect on physicians' perceptions of workplace happiness. The study also found that workplace happiness positively affects physicians' organisational citizenship behaviour, and finally, diversity management

practices can mediate the relationship between workplace happiness and physicians' organisational citizenship behaviour.

**Farmanesh, Vehbi, Zargar, Sousan and Bhatti** (2020) examined the relationship between workforce diversity and organisational performance in educational sector of Cyprus through moderating effect of diversity fatigue. The data for this research was collated through two separate steps from full-time academic and administrative employees, who are working at international universities in North Cyprus. The judgmental sampling was used. Qualitative measures were used to develop dimensions for diversity fatigue, which further were tested through quantitative approach. Results implied that extent of diversity fatigue can suppress the relationship between overall performance and workforce diversity, which is positive and significant prior to interaction of fatigue.

Porcena, Parboteeah, and Mero (2020) assessed whether diversity management's contributions to firm performance are maximized through its effects on the firm's ethical processes in US. The study examined three manifestations of diversity management (diversity recruitment, diversity staffing, and valuing diversity) and their relationship with firm performance as mediated by internal and external ethics. The study used a sample from the Fortune 500 list of companies. The variables were constructed using several relevant indicators and applied to archival data collected from corporations' websites. The hypotheses on the relationship among diversity management, corporate ethics and firm performance were tested using regression from the data gathered on 109 firms. The analysis indicated that diversity management relates to both aspects of corporate ethics (internal and external ethics) but that only external ethics relate to firm performance.

Results also found that external ethics partially mediate the relationship between diversity management and firm performance.

Al-Rawashdeh (2020) explored the impact of workforce diversity on organisational performance. Ten firms working in Jordan were selected in the study. The research used critical variables of workforce diversity like gender, age, ethnic and educational background of the employees. The study adopted the survey research design and 283 questionnaire forms were retrieved and analyzed. Simple linear regression was conducted. It was found that there is a significant impact for workforce diversity on the organisational performance.

Kiprotich and Ombui (2020) sought to establish the effect of workforce diversity on organisational performance of humanitarian non-governmental organisations in Kenya. Specifically, demographic characteristics diversity, socio-cognitive capacities diversity, functional background diversity and cultural diversity are interrogated. The study employed descriptive research design. The target population for this study was all the 70 humanitarian non-governmental organisations in Kenya. A census approach was used, and the unit of observation was the heads of human resource management. Descriptive statistics including the mean and standard deviation was used to capture the characteristics of the variables under study. Inferential statistics; regression coefficient and bi variate correlation was used to analyze the relationship of the dependent variable and the independent variables. The study found a strong positive correlation between demographic characteristics diversity and organisational performance. Socio-cognitive capacity diversity had a statistically significant association with organisational performance. Further, a strong positive correlation between functional background

diversity and organisational performance was established.

Inegbedion, Asaleye, Lawal, and Adebajji (2020) examined “managing diversity for organisational efficiency in Nigeria.” The study sought to find out the extent to which diversity management influences organisational efficiency through the management of conflict, cultural diversity, and employees’ perception of marginalization as well as teamwork and employee work attitude. The survey design was employed and a sample of 178 respondents from nine multinational companies in south-south Nigeria was employed. Research data were analyzed using Structural Equation Modeling, with diversity management and organisational efficiency serving as latent variables. The results showed that the management of cultural diversity, employees’ perception of marginalization, and conflict significantly influences diversity management. Furthermore, diversity management and teamwork significantly influence organisational efficiency.

Mande and Awiti (2019) assessed the relationship between workforce diversity and employee performance in public universities in Kenya. The study adopted the descriptive survey research design or correlational research design. The target population included the chairpersons of departments of the public universities in Kenya. Correlation and regression analysis established a statistically significant positive relationship between workforce diversity variables and employee performance. The conclusion drawn from the study findings is that age diversity, gender diversity, ethnic diversity and education background diversity influence employee performance positively and majority of the employees are positive about workforce diversity practices in public universities.

Rakhra (2018) studied the impact of workplace diversity on the performance of the organisations in India. A questionnaire survey method was used to gather data for the present study. 300 questionnaires were distributed via email and in physical form, out of which 250 were filled and came back, after filtration of questionnaires 220 were selected, which were used for the final evaluation and analysis. Based on the analysis of previous studies (content analysis), the study revealed that diversity whether it is in form of gender, culture, education background or any other influence the life of the employees which in turn greatly affects how they work and behaves at his workplace.

### 3.0 RESEARCH METHODOLOGY

The study adopted the survey research survey. The population of the study comprised 151 management personnel of Dangote Cement Plc, Gboko Plant (Dangote Annual Report, 2020). The choice of management personnel

is because they are believed to have more understanding about workforce diversity in their organisation and as such contribute meaningfully to the study. Since the population of the study is relatively small, the study adopted the census sampling technique to investigate the entire population. Using this technique, each constituent of the population was subjected in participating in the study thus avoiding biasness in the selection of the respondents. The study used majorly the primary data. The instrument used in collecting the required data was the questionnaire due to The study employed descriptive statistics like tables, frequencies, and simple percentages to summarize the collected data in a clear and understandable way using numerical approach. The study further employed the use of multiple linear regression to determine the effect of the independent variable on the dependent variable. The analysis was done using the Statistical Package for Social Science (SPSS) version 20.0.

#### Variable/Model Specification

Organisational performance (OP) is the dependent variable, which is a function of workforce diversity proxied by ethnic

diversity (ETHD) and educational background diversity (EDBD). Therefore, the following multiple regression model is formulated to guide the researcher in the investigation.

$$OP = \alpha + \beta_1ETHD + \beta_2EDBD + u$$

### 4.0 RESULT AND DISCUSSION

This section presents, analyse and discuss the result of regression analysis.

**Table 4.1: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.984 <sup>a</sup>	.968	.968	1.10219	.968	1058.895	4	138	.000

a. Predictors: (Constant), EDBD, ETHD

Source: Researcher's Computation using SPSS Version, 20

Table 4.1 presents the model summary result between workforce diversity and performance of Dangote Cement Plc, Gboko Plant. From the model summary table above, the following statistics are explained. The R-value of 0.984 shows that, there is a strong relationship between workforce diversity and the performance of Dangote Cement Plc, Gboko, Plant. The R<sup>2</sup> - value stood at 0.968. The R<sup>2</sup> otherwise known as the coefficient of determination shows the percentage of the total variation of the dependent variable (performance) that can be explained by the

independent or explanatory variables: Ethnic Diversity (ETHD) and Educational Background Diversity (EDBD)). Therefore, an R<sup>2</sup> - value of 0.968 indicates that 96.8% of the variation in the performance of Dangote Cement Plc, Gboko Plant can be explained by a variation in the independent while the remaining 3.2% (i.e. 100-R<sup>2</sup>) can be accounted by other variables not included in this model. This indicate a high contribution of the predictor variables on the dependent variable.

**Table 4.2: Model Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-.471	.259		-1.818	.071
1 ETHD	.415	.120	.366	3.450	.001
EDBD	.933	.134	.919	6.981	.000

a. Dependent Variable: OP

**Source: Researcher’s Computation using SPSS Version**

The regression result as presented in table 4.2 to determine the effect of the independent variables Ethnic Diversity (ETHD) and Educational Background Diversity (EDBD) on the dependent variable (organizational performance (OP) shows that when the independent variables are not factors to be considered organizational performance is estimated at -0.471%. This simply implies that when all variables are held constant, there will be an insignificant decrease in the performance of Dangote Cement Plc, Gboko Plant by 47.1% units occasioned by factors not incorporated in this study.

The estimated model shows a positive effect of ethnic diversity (ETHD) on the performance of Dangote Cement Plc, Gboko Plant base on the beta coefficient value of 0.366. This therefore implies that a unit change in ethnic diversity will lead to a 36.6% increase in performance of Dangote Cement

Plc, Gboko Plant. This relationship is significant (p-value = 0.001 < 5%). This result implies that ethnic diversity significantly improves the performance of Dangote Cement Plc, Gboko Plant. Lastly, the model coefficient result reveals a positive effect of Educational Background Diversity (EDBD) on the performance of Dangote Cement Plc, Gboko Plant as the beta coefficient is estimated at 0.919. Thus, a unit change in educational background diversity will lead to a 91.9% improvement in the performance of Dangote Cement Plc, Gboko Plant. This relationship is also significant (p-value = 0.000 < 5%). This implies that educational background diversity has a significant effect on the performance of Dangote Cement Plc, Gboko Plant.

**4.1 Discussion of Findings**

The current study intended to analyze the effects of workforce diversity on the

performance of Dangote Cement Plc, Gboko Plant. Two independent variables including ethnic diversity and educational diversity were identified and regressed against performance of Dangote Cement Plc., Gboko Plant. The test of hypotheses were also performed and the findings and implications are discussed in the paragraphs that ensued.

In the test of the first hypothesis of the study which aimed to examine the extent of the effect of ethnic diversity on the performance of Dangote Cement Plc, Gboko plant, the result of the SPSS analysis, revealed that ethnic diversity has a significant effect on the performance of Dangote Cement Plc, Gboko plant. Ethnic diversity displayed a positive coefficient implying that ethnic diversity significantly enhances the performance of Dangote Cement Plc, Gboko plant. Therefore, the more diversified employees are in terms of ethnicity, the more the tendency for them to make profit.

Finally, the result obtained from testing hypothesis four after applying the standardized beta coefficients at 5% level of significance for a two tailed test to determine the effect educational diversity on the performance of Dangote Cement Plc, Gboko plant. The result of the study revealed that educational diversity has a significant effect on the performance of Dangote Cement Plc, Gboko plant. The beta coefficient in respect to educational background was positive implying that the more diversified employees are in terms of education, the more there will be a significant improvement in the performance of the organisation. Therefore, as per the finding of this study, educational diversity significantly enhances the performance of Dangote Cement Plc, Gboko plant. Organizational leaders implemented education diversity, due to these initiatives, it motivates employee to perform work effectively to achieve organizational goals.

An employee educational background is best indicator of their knowledge, Skills and capability. According to Maingi, (2015) the educational background reflects the cognitive strength and personality of employee. Therefore, productivity of an employee depends on the level of the education; the employee will be productive if he/she has high level of education.

## **5.0 CONCLUSION AND RECOMMENDATIONS**

The study concluded that ethical and educational diversity were the primary contributors to performance of Dangote Cement Plc. Gboko Plant. Ethnic diversity was significant because Dangote Cement Plc. has a multi-cultural or ethnic diversified work force that can enhance their skills and boost their knowledge. The significant effect of educational diversity on performance shows that most of the employees utilize the skills they learnt in higher learning institutions.

Sequel to the findings and conclusions above, the following recommendations are outlined:

- i. Given that, ethnic diversity comes with its benefits that can enhance employee and organizational performance. Hence, management should encourage social interactions between employees. With this, employees can learn about the culture of fellow colleagues. Such knowledge can encourage tolerance among the employees and knowledge of other culture can help to successfully carried out a specific task that requires such knowledge when the need arise. Managers should try to create a holiday calendar that is culturally diverse as this can be an avenue to create cultural awareness. This can make the work environment more welcoming for the employees and can help minimize misunderstandings and enhance performance.



- ii. Management should provide training opportunities to employees who lack the required skills for required job. Management should also encourage employees by providing study leave to employees who wish to further their

education. In addition, Management can provide financial aid by sponsoring high performing employees to acquire some certification that will improve performance. This can be an intrinsic motivation to other employees.

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# Diversification And Survival of Small And Medium Enterprises in the Covid-19 Era in Nigeria

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## ABSTRACT

*This study reviewed diversification and survival of small and medium enterprises in the covid-19 era in Nigeria. Specifically, the study reviewed concentric/related and conglomerate/unrelated diversification on the survival of small and medium enterprises in the covid-19 era in Nigeria. The methodology adopted is a comprehensive and extensive review of related literature. Based on the various related empirical literatures reviewed by the researcher, it was established that all the dimensions of diversification such as concentric/related and conglomerate/unrelated diversification have a significant and positive effect in the survival of small and medium enterprises in the covid-19 era in Nigeria. It was therefore concluded that diversification is an enhancer across different sectors in Nigeria. It recommended that small and medium enterprises that are experiencing low demand as a result of the pandemic should aspire to adopt Concentric/related diversification by becoming more innovative, introducing new products and processes that are closely related to the current core business. This strategy will ensure that they attract adequate investment relevant for survival and growth. Also, Small and medium enterprises seeking to diversify into Conglomerate/unrelated businesses, should first evaluate the environmental opportunities and threats of the new business area and invest where they have those capabilities in terms of assets and finances since competitive advantage and survival depends on the unique resources and capabilities that a firm possesses*

**Keywords:** *Diversification, concentric/related diversification, conglomerate/unrelated diversification, survival, SMEs and Covid-19.*

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## **1.0 Introduction**

Globally, Business organizations are operating in environments that are increasingly uncertain, complex, competitive, dynamic and unpredictable. The changes in environments are not only rapid and bewildering; they also appear to be in a state of constant flux. Development arising from these forces and the need for organizations to survive in today's fiercely competitive market are causing many organizations to rethink the way they are doing business in order to remain relevant to their stakeholders in the unfolding dispensations and allows the organization to focus on available resources and utilize them in the best possible manner to boost sales and gain leverage over competitors (Diribu, 2019).

Diversification is one of the strategies that have been used by several organizations across the globe in order to enhance their business objectives. Firms whose products are threatened by environmental uncertainty or by declining phase of their life cycle curve will prefer to engage in diversification to overcome the risk arising from current industries. Furthermore, firms may engage in expanding its product line and activities to different sectors where environmental uncertainty is reduced and, profitability is higher, such that a company may confirm its survival which will make its cash flow more reliable (Nwakoby & Ihediwa, 2019). When opportunity for success is limited in a firm's product offerings and market, diversification into an area with opportunity is inevitable. Thus, firms diversify to minimize risks as well as attain organizational goals through increased return on investment.

The objective of diversification is to allow an organization to survive, grow, increase profitability, market share, debt capacity, risk reduction, and the need to use human and

financial resources efficiently. Diversification is also fundamental to the success of organization in the face of downturn (Oladimeji & Udosen, 2019).

Diversification has also emerged as a key business strategy to help small and medium enterprises (SMEs) negotiate the covid-19 pandemic and find way to survive, innovate and even thrive. The pandemic has seen many SMEs find new markets for their products or introduce new products or services to their existing offerings. Yes, Covid-19 has been a brutal wake-up call for many businesses owners and compelled them to think on their feet and become more innovative. Diversification became a creative response to the crisis (Robertson, 2020).

The struggle to survive is a natural instinct. survival remains a constant battle against the environment. It is natural for businesses to struggle against imminent collapse or failure. However, over the years, several problems have been identified to limit the growth, survival of various small and medium enterprises (SMEs). The SMEs are associated with constant struggle against imminent collapse due to contextual hostility that bedevils the sector. Small and Medium Enterprises are very vulnerable, and their failure rate is very high; so high that no nation can afford to ignore it. (Vogl, 2018).

Diversification is a corporate strategy which aims to expand or grow a firms' operation by adding markets, products, services, or stages of production to the existing business. Diversification allows a company to enter lines of business that are different from their current operations. Moreover, diversification uses two approaches: either concentric or conglomerate diversification. Concentric diversification occurs when a firm acquires similar business options while conglomerate diversification occurs when a firm develops

products or services beyond its current capabilities (Hitt, Hoskisson & Kim, 2013). The dimensions of Diversification employed in this study were advanced by Oladimeji and Udosen, (2019); Mwangi, (2017); Wanyonyi, (2018) which include Concentric/Related and Conglomerate/Unrelated diversification. Diversification has a strong correlation with SMEs survival since diversification may be the most suitable strategy to survive in the market.

Survival is the continued existence of organization activities in the occurrence of ups and downs in business environment that is categorized with hesitations and unforeseen happenings that intimidate the existence of organizations. For organization to strive to survive in a vibrant and competitive business environment, it wholly depends on how effectively the organization learn to innovate and adapt in the environment it finds itself (Omoankhanlen & Ohiria, 2017). The Survival indices employed in this study are Innovation and Adaptability (Williams & Shaibu, 2020; Ayatse, Kwahar & Ojiba, 2019). SMEs were chosen for this study as a result of the incidence that took place during the Covid 19 era. How businesses had to diversify into more profitable ventures as a result of the low demand of their businesses or services.

### **1.2 Statement of the Problem**

Diversification either in related/ Unrelated product line is crucial for the firms to compete favorably and survive on the long run. Diversification has emerged as a key business strategy to help small and medium enterprises (SMEs) negotiate the covid-19 pandemic and find ways to innovate and survive. Studies that have explored the subject of diversification and SMEs survival in Nigeria are seen to be very limited. Again, due to the inexperience, incompetence, self-interest, and opportunistic behavior of most owners and

managers of SMEs, most diversification strategy leads to negative effect.

From the literatures, the researcher noted that very few studies have been done on diversification and SMEs survival in Nigeria. Most of the studies carried out on diversification are from the western side of the world, which is developed and just very few were done in Nigeria in a stable environment as such a gap exist. This present study will be carried out in Nigerian SMEs specifically to review and examine whether the findings are applicable in Nigerian SMEs. Also, none of the empirically reviewed on diversification and SMEs survival employed the usage of secondary data as most studies resorted to the collection of data from SMEs owners. Therefore, this is the gap in knowledge that this study intends to fill.

### **1.3 Objective of the Study**

The main objective of this study is to review the effect of diversification on the survival of SMEs in the covid-19 era in Nigeria. Specifically, the objectives include;

- i. To review the effect of Concentric/Related diversification on the survival of small and medium enterprises in the covid-19 era in Nigeria.
- ii. To review the effect of Conglomerate/Unrelated diversification on the survival of small and medium enterprises in the covid-19 era in Nigeria.

### **1.4 Methodology**

The methodology employed in this study is a comprehensive and extensive review of literatures related to diversification. The choice of the articles reviewed and included in this paper especially under the empirical review section was dependent on whether the article is empirical in nature. Non-empirical articles were used for the literature review

section. The inclusion of only empirical articles in the empirical review section is to highlight the major findings reported by the studies which will help in achieving the study's objectives. To this end, textbooks, journals, internet sources and other relevant written materials were consulted.

## **2.0 Literature Review**

Literature review forms the framework as it helps to develop good understanding and provide insight into relevant previous research. It consists of the theoretical framework, conceptual framework, empirical reviews and relationship between the two variables.

### **2.1 Theoretical Framework**

This study is anchored on the resource-based theory's (RBT's) of Barney (1991). RBT quickly emerged as the key theoretical foundation that fueled a thriving development of the diversification literature in strategic management. The resource-based theory provides a rationale for corporate diversification. The type of diversification strategy strongly depends on the resource specificity of the company (Chatterjee & Wernerfelt, 2001). The resource-based view theory stipulates that in strategic management, the fundamental sources and drivers to a firm's competitive advantage and superior performance are mainly associated with the attributes of their resources and capabilities which are valuable and costly to copy. Rugman and Verbeke (2002) argued that to have the potential to generate competitive advantage, a firm's resource must have four attributes: it must be valuable, in the sense that it exploits opportunities and/or neutralizes threats in a firm's environment; it must be rare among a firm's current and potential competition; it must be imperfectly imitable; and there cannot be strategically equivalent substitutes for this resource. The resource-based theory stems from the principle that the strength of firms'

competitive advantage lies in their internal resources, as opposed to their positioning in the external environment.

The resource-based theory is relevant to this work because it shows how SMEs gain competitive advantage when they diversify in the areas where they have more effective dynamic capabilities like superior product innovation. From the perspective of RBT, diversification research posits that related diversification can lead to superior firm performance (Barney, 1991). When viewing the benefits of diversification from this perspective, firms with related diversification strategies can outperform those with unrelated diversification strategies. To the extent that the key to superior performance from a diversification strategy is contingent on the ability to share resources, a firm that is diversified into unrelated businesses is unlikely to have resources that can be useful for all its business units. At the same time, it becomes challenging for the firm's top management to manage an increasingly diverse business portfolio. In essence, diversification research premised on RBT holds that strategic interrelationships based on resource relatedness shared by business units within the firm contribute to superior performance and thus increase firm value to the point where resources become too complex to manage or business units become unrelated.

### **2.2 Conceptual framework**

Related literatures by different authorities on the concept of diversification and SMEs survival along with their dimensions were reviewed.

#### **2.2.1 Concept of Diversification**

Diversification is a corporate strategy which aims to expand or grow a firms' operation by adding markets, products, services, or stages of production to the existing business (Ndege



& Wanyoike 2017). Diversification also allows a company to enter lines of business that are different from their current operations. Moreover, diversification uses two approaches: either concentric or

conglomerate diversification. Concentric diversification occurs when a firm acquires similar business options while conglomerate diversification occurs when a firm develops products or services beyond its current capabilities. Businesses choose to diversify in order to provide channels for survival, growth, and profits. However, diversification is affected by high investment costs and environmental changes (Maragia & Kemboi, 2021).

Diversification is also the venturing of a firm into new lines of activity and businesses through a process of internal development that entails changes in the prevalent administrative systems (Hitt, Hoskisson & Kim, 2013). The objective of diversification is to allow an organization to survive, grow, increase profitability, market share, debt capacity, risk reduction, and the need to use human and financial resources efficiently (Thomas & Mason, 2016).

Diversification increases the range of a firm's investment opportunities, since it permits a company to take advantage of the more profitable opportunities in sectors of the economy in which it previously had no activities (Ndege & Wanyoike 2017). A diversified firm can be considered as one having operations in more than a single industry. The consequences of such diversification can be examined for the individual firm with respect to the long-run growth/profit, which becomes less dependent on the trend in demand for products within its primary industry.

Generally, firms diversify to minimize risks as well as attain organizational goals through increased return on investment. One of the strategies businesses adopt to enhance their returns and/or reduce costs is diversification. When opportunity for success is limited in a firm's product offerings and market, diversification into an area with opportunity is inevitable. Diversification is considered a success when it adds to shareholder value and takes the organization away from its current markets, increases product diversity and profitability. Diversification applies when the declining organizations decide to start a new route so that the said companies can secure themselves and their future by the introduction of some new products, which translates into either related or also unrelated diversification (Wandera, 2019).

Diversification as used in this study is a business decision to pursue opportunities in related or unrelated industries by exploiting the financial, physical, and intangible resources that the firm possesses. To meet challenges and survive in the markets, firms make diversification decisions. Management of the firms decide whether to go for related or unrelated diversification. If firms opt for related diversification, that which provides good output and reduces total risk.

### **2.2.2 Dimensions of Diversification Strategy**

The dimensions of Diversification employed in this study were advanced by Oladimeji and Udosen, (2019); Mwangi, (2017); Wanyonyi, (2018) which include Concentric/Related and Conglomerate/Unrelated diversification.

#### **Concentric/Related diversification strategy**

According to David (2008) as cited in Shahzad (2012), Concentric diversification is also called Related diversification. Concentric diversification strategy is when a new related product is offered which is similar in terms of



product nature, manufacturing, consumption, pricing distribution and promotion. Concentric diversification is also a strategy that involves the operations of a second business that benefits from access to the firm's core competencies. It was observed during the pandemic that breweries and gin distillers have used their ethanol supplies to make and distribute hand sanitizers, manufacturers with 3D printers have made much-needed PPE and face shields. Also, wholesale food companies and restaurants have started doing home deliveries. Businesses that operate online has expanded their activities and introduce new products and process to maximize profit.

The key to implementing a related diversification campaign is to take advantage of the main internal advantages of the business. This strategy requires businesses to rely on brand relationships between the company and new areas of operation, the collaboration of two resonant impacts on the use of resources (Nguyen and Nguyen, 2019). When a firm is diversifying into closely related business, it opens new avenues for reducing costs which can be a major driver to strategic diversification. Zahavi and Lavie (2013) also found that businesses could benefit from the economy of scope, which related diversification offers (producing more costs less than producing fewer products due to the sharing of resources).

### **Conglomerate/Unrelated diversification**

Conglomerate/Unrelated diversification involves adding new products or services that are significantly different or unrelated with no technological or commercial similarities. According to David (2008) as cited in Shahzad (2012), Conglomerate diversification is such type of unrelated diversification in which all the aspects of product are different in terms of nature of product, manufacturing, distribution, pricing, consumption and target

market. When a computer company decides to produce notebooks, the company is pursuing a conglomerate diversification strategy. It was observed that SMEs manufacturers switched their production to health care products (ventilators, masks) for the health care markets during the pandemic. It has identified that lot of firms tend to practice the unrelated diversification strategies in order to mitigate the risk of failures. Unrelated diversification may also create the firm strengths such as dynamic capability and it benefits a firm to have a strong competitive advantage.

Conglomerate/unrelated diversification involves diversifying into whatever industries and businesses that hold the promise for attractive financial gain, pursuing strategic fit relationships that assume a back-seat role. In unrelated diversification, the corporate strategy is to diversify into any industry where top management spots a good profit opportunity. The basic premise of unrelated diversification is that any company that can be acquired on good financial terms represents a good business to diversify into. Much time and effort go into finding and screening acquisition candidates (Mbuuko, 2013).

Companies that change their business into unrelated industry gets maximum financial and other benefits as compared to those firms which apply related diversification in their firms. It means that unrelated diversification is more beneficial for the firm. when a firm enter into unrelated diversification it reduces its risk. Because when a company enter into a business which is absolutely different from its core business, then it can stable its earnings and it can correlate its cash streams (Muhammad, Khizer, and Muhammad, 2013).

### **2.2.3 Concept of Survival of SMEs**

survival is the continued existence of organization activities in the occurrence of

ups and downs in commerce environs that is categorized with hesitations and unforeseen happenings that intimidate the existence of organizations. These hesitations if not properly coped with; organizations will undergo decrease in market share, profitability, and sales (Fleming, 2012). For organization to strive to survive in a vibrant and competitive business environment, it wholly depends on how effectively the organization learn to innovate and adapt in the environment it finds itself and how the organization exercise dynamic capability on its resources efficiently used to the fullest (Omoankhanlen & Ohiria 2017). Survival is very crucial at this period of business turbulence, in order to maintain a place in this competitive era, the organization has to be more innovative. It indicates that if the organization will remain in business over the period of time of interest or likeliness that the organization will continue in business in future, it has to be more innovative (Ayatse, Kwahar & Ojiba, 2019).

Survival can also be defined as an organizational ability or state of continuing to live or exist, often despite difficulty, challenges or dangers. Survival has many connotations-both subjective and objective. The most objective way to measure survival in organizations is to observe their continuing existence (Obiekwe, 2018). Business organization that wants to succeed must develop a clear understanding of the trends of business environment and forces that shape competition.

### **Dimensions of Survival**

The Survival indices employed in this study are Innovation and Adaptability (Williams & Shaibu, 2020; Atouks & Orusa, 2019; Obiekwe, 2018).

### **Innovation**

Innovation according to Baregheh, Rowley and Sambrook (2009) is a multistage process whereby organizations transform ideas into new/improved products, services or processes in order to advance, compete and differentiate themselves successfully in their market place. Innovation is a key strategy that firms use in reacting and preempting threats and opportunities in an environment which tend to be full of uncertainties.

Innovation in SMEs significantly contributes to the performance, productivity and improvement of new goods and services and hence competitiveness and growth. The organizations that have greater innovation will achieve a better response from the environment, find it easier to improve organizational performance capabilities and consolidate a sustainable competitive advantage (Calantone, 2002). Innovative companies develop faster, more efficiently and more profitable than non-innovative ones. Survival in today's business environment demand innovation, creativity and improve in performances. Such is the over whelming challenges facing today's business managers. To compete successfully and to be productive, one must be able to survive first, especially in our fast-changing chaotic world of global competition (Obiekwe, 2018).

### **Adaptability**

Adaptability simply means being flexible when things change. An adaptable organization is one that is exposed to new philosophies and theories, to function as an individual or as a group. As opined by Atouks and Orusa (2019), adaptability has three features that influence organization's efficiency. The first among them is the talent to identify and react to external environs. The Second feature is the ability of organization to react to internal customers. While the third feature is ability of organization to reorganize

set of behavior and practices that permit the organization to adapt. Adaptability has the prefix 'adapt' and suffix 'ability' which is the strength to shift or adjust to new conditions. As Human being, we adjust in several stages from childhood to adulthood, likewise organization. Whether comfortable or not it is ideal for firms to adapt to aid survival and productivity.

To survive and make profits, especially in the era of the pandemic, organizations need to adapt continuously to the different levels of environmental uncertainty (Amah & Baridan, 2012). Williams and Shaibu, (2020) stated that SMEs seek to remain relevant within their dynamic business environment through diversification and adaptation as well as improvement in existing products, services, methods or processes. Adaptability equally applies to an organization's structure and how it is amenable to environmental changes. Such a structure must support the implementation of the firm's survival strategy.

#### **2.2.4 Concept of small and medium enterprises**

Small and Medium Enterprises (SMEs) is a concept that tend to broadly explain the sizes of business in an economy. The meaning depends on purpose a definition is expected to support a particular policy governing the sector. However, there are three major factors used by countries in classification and definition of enterprises. These include; capital investment on plant and machinery, number of workers employed and volume of production (Abubakar & Yahya 2013). This concept of the small size firm is a relative one and it depends mainly on both geographical location and the nature of economy activities performed. The concept was further expatiated by central Bank of Nigeria (CBN, 2010) as asset based and number of staff employed. The criteria include: an asset base between #5 million and #500 million and staff

strength between 11 and 300. In the CBN report the small and medium Industries equity investment scheme (SMIEIS) in Nigeria saw SMEs as enterprises with a total capital employed not less than #1.5 million but not exceeding #200 million, including working capital but excluding cost of land and or staff strength of not less than 10 and not more than 300 as captured by (Abubakar & Yahya, 2013). This idea concurred with the Central Bank of Nigeria's definition of SMEs.

#### **2.2.5 Relationship between Diversification and SMEs Survival**

Diversification has a strong correlation with SMEs survival since diversification may be the most suitable strategy to survive in the market especially in this era of pandemic. Diversification is well-known as an effective strategy to grow the business, increase the revenue and expand the market, gain sustainable competitive advantage and counter the competitors (Nia, 2020). Small firms are more likely to use diversification to survive and to exploit identified business opportunities. Entrepreneurs are more likely to use diversification to exploit opportunities in good time while in bad times they adopt a more deliberate, planned approach to diversification focusing on ensuring survival (Murphy & Tocher, 2017).

Diversification is an important strategy for businesses that wants to grow, create a competitive advantage, or to survive in the competition. Diversification is one of the fundamental strategic alternatives available to organizations to sustain growth and search for higher profits. firms may engage in expanding its product line and activities to different sectors where environmental uncertainty is reduced and, profitability is higher, such that a company may confirm its survival which will make its cash flow more reliable (Nwakoby & Ihediwa, 2018).

Organizations choose to diversify to survive the dynamics of business environment. Diversification has become a popular survival strategy among organizations in an effort to outpace competitors. Whether in related form or not, diversification is a strategic option used by more and more managers to improve performance (Makau & Ambrose, 2018). It is a catalyst for competitive advantage and a means whereby an organization spreads its risk across several businesses to increase profitability, reduce the risk of bankruptcy, create synergy, enhance market operations and improve performance. A diversification helps in improving debt capacity, asset deployment and further allows the organization to use its existing skills, expertise and competences to produce unique products. Diversification is therefore fundamental to the success of organization in the face of downturn (Oladimeji & Udosen, 2019).

### **2.3 Empirical Review**

Oyedijo (2012) examined the performance of a sample of Nigerian companies in relation to specialization, related, unrelated and mixed product market diversification strategies. Using the Panel Regression analytical technique involving correlation, F-statistics and descriptive statistics, the result showed that there were significant performance and growth differences between firms utilizing related diversification strategies and those utilizing unrelated diversification strategies ( $F = 147.4405, p < 0.05$ )

Muhammad, Khizer, and Muhammad (2013) explored the relationship between unrelated diversification and financial performance of Pakistani firms. This study selected different firms for analysis listed in KSE-100 index. Different types of accounting variables are used like ROA (return on assets), ROE (return on Equity) and Tobin's  $q$  to analyse the financial performance of firms. Data was

collected from KSE website and Firm's websites. The results of this research suggest that firms which adopt non diversification strategies have better financial performance rather than the firms adopting unrelated diversification strategy. It is also resulted that non diversifying organizations have low risk and diversifying organizations have high risk.

Oyewobi, Windapo, and Cattell (2013) also conducted a study whose purpose was to investigate whether the relationship between extent of business diversification and performance was significant among construction firms in South Africa. The kind of diversification interrogated was unrelated. Both primary and secondary data were collected. Primary data was collected using semi-structured interview schedules while financial statements of the companies were perused to reveal financial data for performance measurements for a period of five years. The T-statistic, Pearson's product correlation and fixed and random effects regression models were used to analyze the data. Findings showed that construction companies listed on the CIDB contractor registers diversify more and perform better in their service/product than the newly upgraded companies based on profit margin.

Mbuuko, (2013) studied the factors influencing choice of unrelated diversification strategies in the insurance industry in Kenya. The research design adopted by the study was a survey of insurance companies operating in Kenya. The study used primary data which were collected through self-administered structured questionnaires. The data was analyzed and presented using mean, standard deviation and percentages. Results were presented in tables and charts. It was concluded that the Insurance companies adopted unrelated diversification strategies as a promise for attractive financial gain, availability of resources which made unrelated diversification economically

feasible, superior skills of top management people and building shareholder value. The study established that industry profitability, co-insurance effect, firm characteristics and general economic environment influenced the insurance companies to pursue unrelated diversification.

Marangu, Oyagi and Gongera, (2014) analyzed the contribution of concentric strategies on sugar firm competitiveness in Kenya. The study adopted descriptive correlational survey design and this being a census study; all the nine main sugar firms in the Kenya were studied. Using a questionnaire, primary data was collected from the production and marketing managers as key informants of each of the sugar firms. The data collected was analyzed using descriptive and inferential statistics. Regression analysis was used to determine the relationship between the study variables. The regression results reveal that concentric strategies had overall significance impact on competitiveness ( $p$ -value = 0.000). The study found out that concentric diversification had positive effect on sugar firms' competitiveness in that 54.8 percent of the sugar firm competitiveness can be explained by concentric diversification (R square= 0.548). It was recommended that there is need for the sugar firms to use concentric diversification strategy to diversify their operations as this improves their level of competitiveness.

Akewushola, (2015) examined the impact of Information and Communication Technology (ICT) on the performance of 12 selected Nigerian firms that are pursuing a strategy of related product-market diversification. a cross-sectional survey research design was used to collect primary and secondary data for the study. Convenience sampling technique was used to select the sampled firms while purposive random sampling method was used

to select 426 respondents who served as multiple informants for the survey. The result of the regression analysis showed that the intensity of ICT has a significant influence on the performance of firms that are using a related product-market diversification strategy with a co-efficient of 5.170. The study concludes that the performance impact of related-market diversification is not the same for all firms and is largely relative and determined and moderated by the intensity of ICT in a firm.

Ndege and Wanyoike, (2017) assessed the effects of concentric diversification strategies on the growth of the cosmetic firms in Nakuru County. Descriptive research design was adopted with a target population of 210 cosmetic firm owners. 68 participants were randomly sampled and administered with semi-structured questionnaires. Collected data was analyzed using descriptive and inferential statistics. Findings established that offering unique products enhances competitive advantage (mean=4.486). The study concluded that related diversification increases growth of cosmetic firms, offering unique products enhances competitive advantage, diversifying into new lines gains new market share, cosmetic firms are always adopting new diversification strategies. It was recommended that cosmetic firms should focus more on diversifying into related product lines to improve their growth.

Murphy and Tocher (2017) examined if Diversification is a common goal for many small firms. As such, this paper provides one of the first empirical investigations of the subject by examining whether the presence of a corporate parent positively influences the likelihood that small firms will utilize diversification. Results indicate that small firms with corporate parents are more likely to use both related and unrelated diversification than comparable firms that are independently owned. Such findings are



noteworthy because diversification may be more beneficial for small, independently owned firms, yet small, subsidiary firms appear to be better able to utilize diversification.

Mwangi, (2017) studied to establish whether diversification enhances the performance of small and micro enterprises funded by the Youth Funded in Embakasi central constituency, Nairobi Kenya. The study used descriptive longitudinal design where data was collected from a sample of companies for five years. Target population included 220 managers of the small and micro enterprises operating in Embakasi Central constituency. Stratified random sampling was used to select a sample size of 142 distributed according to the wards. A questionnaire was used to collect data while both descriptive and inferential statistics (Panel regression) were used to analyze the data. Findings show that there is significant positive relationship between related diversification and ROA. Unrelated diversified firms have high performance measured by ROCE ( $p < 0.05$ ). Despite the performance recorded due to diversification, small and micro firms' managers think that their firms can improve their performance by diversifying further whereby related diversified firms believe that they will enhance their performance by increasing their related diversification while unrelated diversified firms think they will achieve the performance by increasing their current unrelated diversification.

Nwakoby and Ihediwa, (2019) studied the effect of firm diversification on financial performance of Nigerian firms. This study adopted Ex-Post Facto research design and covered ten years annual reports and accounts of these firms from 2008 to 2017. The data collected for the study were analyzed using financial ratios and the formulated hypotheses were tested with simple regression analysis with the aid of statistical package for social

sciences (SPSS) 20.0. This study concludes that the financial performance of Nigerian firms is significantly affected by the product, hence there was a relatively statistically significant correlation between financial performance and related diversification but business diversification is not statistically significant. It was recommended that Nigerian firms management decision should ignore toward business diversification rather emphasize more on product diversification but against multi product strategy

Oladimeji and Udosen, (2019) examined the effect of a diversification strategy on an organization's performance in the manufacturing sector in Nigeria. A quasi-experimental study with an ex-post facto research design were used for the study. The respondent population consists of thirty-one organizations listed in Nigerian Stock Exchange (NSE) for a period of 20 years (1997-2017), while the sample size is comprised of six organizations purposively selected based on their life-span and level of diversification. Data was drawn from the financial reports of the selected organizations, with E-View version 9 used for the data analysis. The study revealed that diversified organizations outperform undiversified ones in terms of ROA and ROI. While related diversified organizations were discovered to be positive in terms of ROA (26.8%), unrelated and hybrid diversified organizations were positive in ROE (81.7% and 20.5%). A diversification strategy leads to growth and profitability (20%) and a strong capital structure to cover liabilities (26%). The study concluded that diversification is a strategic tool for achieving strategic relevance and spontaneous performance.

Githui and Mandere, (2020) examined the influence of diversification on performance of Kenya Meat Commission. The context of was 107 employees at Kenya meat commission



who were in the official posts that implemented the diversification strategy. The researcher undertook a census on the target population and used questionnaires as the tools of data collection. Data processing and analysis was finally done by the help of the IBM SPSS software Version 24 from which several findings were arrived at, key being that diversification strategy demonstrated a high significant positive relationship to the performance of Kenya Meat Commission. The correlation analysis in this research showed a positive relationship between the performance of the organization and the diversification strategy. It was recommended that Policy makers should put measures and systems to realize the maximum benefits from this strategy to ensure growth.

### **3.0 Summary of Findings, Conclusion and Recommendation**

#### **3.1 Summary of Findings**

Based on the empirical works reviewed, the findings are as follows;

- I. It was discovered that Concentric/Related diversification has a positive and significant effect on the survival of SMEs in the Covid-19 era in Nigeria. The finding is in agreement Nwakoby and Ihediwa, (2019) who concluded that the financial performance of Nigerian firms is significantly affected by the product, hence there was a relatively statistically significant correlation between financial performance and related diversification. The finding was also supported by Mwangi, (2017) who concluded that small and micro firms' managers think that their firms can improve their performance by diversifying into related diversification.
- II. It was also discovered that Conglomerate/Unrelated

diversification has a positive and significant effect on the survival of SMEs in the Covid-19 era in Nigeria. The finding was supported by Oyedijo (2012), whose result showed that there were significant performance and growth differences between firms utilizing related diversification strategies and those utilizing unrelated diversification strategies in Nigeria.

#### **3.2 Conclusion**

Based on the various related empirical literatures reviewed by the researcher, it was established that all the dimensions of diversification such as concentric/related and conglomerate/unrelated diversification have a significant and positive effect in the survival of small and medium enterprises in the covid-19 era in Nigeria. It was therefore concluded that diversification is an enhancer across different sectors in Nigeria.

#### **3.3 Recommendations**

Based on the reviews, and taking into cognizance the subject matter above, the researcher is bound to make the following recommendations.

1. Small and medium enterprises that are experiencing low demand should aspire to adopt Concentric/related diversification by becoming more innovative, introducing new products and processes that are closely related to the current core business. This strategy will ensure that they attract adequate investment relevant for survival and growth.
2. Small and medium enterprises seeking to diversify into Conglomerate/unrelated businesses, should first evaluate the environmental opportunities and threats of the new business area and invest where they have those capabilities in terms of

assets and finance since competitive advantage and survival depends on the

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# Effect of Work-Life Balance on Organisational Performance: A Study of Selected Deposit Money Banks Makurdi Metropolis

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## ABSTRACT

*This study examined the Effect of Work-Life Balance on Organisational Performance: A Study of Selected Deposit Money Banks in Makurdi Metropolis. The study seeks to achieve the following objectives. To determine the effect of work-life balance on organisational performance of selected Deposit Money Banks in Makurdi metropolis. The study focused on the staff of selected deposit money Banks in Makurdi metropolis with a population of six hundred and six (606). The sample size was determined using Taro Yamane formula which gave a sample size of two hundred and fifty two (252). The study relied on primary data. Questionnaire was the instrument used for primary data collection. The method used in analyzing the data was regression and correlation analysis in testing the formulated hypotheses with the aid of the Statistical Packages for Social Sciences (SPSS 21). The raw data collected from the primary source was presented using tables and simple percentages. The study found that Family responsibility with Beta value of 0.269 and Work-life conflicts with Beta coefficient of 0.293 have significant effect on performance of selected deposit money banks in Makurdi metropolis. Based on the Beta coefficient, work life conflict with Beta value of 0.293 has the highest Beta value. Conclusion, The study concludes that family responsibility and work-life conflicts have positively affect the performance of selected deposit money banks in Makurdi metropolis. Based on the findings and conclusion of the study, the following recommendations are made: Management of Deposit money Banks in Nigeria should create an enabling environment that should help employees take care of family members by balancing work and family issues. Deposits Money Banks in Nigeria should ensure that leave policies cover all categories of employees regardless of their position in the organization. Finally, Deposit Money Banks should provide employee assistance programmes like financial and counseling for critical family matters.*

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## **1.1 Introduction**

Associations are subsumed in the present temperamental, unsure and unusual business climate with long haul survivability and maintainability being referred to. The business tasks are impacted with the cooperated unstable climate which in the long run has consequences for the general exhibition of the association (Almeida and Kim 2015).

Idea of authoritative execution is the result, accomplished objective, quality, and less the financial parts of proficiency and adequacy. Authoritative Performance is certifiably not a simple finding of a result, but instead it is the consequence of a correlation between the result and the genuine which is the point of each association. In this difficult and changing circumstance in work place, adjusting work-life and home life is overpowering for any middle class particularly ladies, since, ladies invest an unbalanced measure of energy dealing with housework, childcare obligation and office work as well. An individual might carry on with an existence of which is cheerful, sound and surprisingly fruitful when there is balance between fun and serious activities (WLB). Work-life balance has obviously turned into an essential worry to every one of those wishing to have a great of life (Breitenecker and Shah, 2018).

Balance between fun and serious activities is an idea wherein representatives attempt to deal with their own and expert life. They attempt to make balance between work (profession, desires) and life (wellbeing, recreation, family, otherworldly turn of events). The idea 'balance between fun and serious activities' assists with creating equilibrium or balance in which they can assume equivalent part for both work and life. This idea was at first utilized in United Kingdom (UK) and United State of America (US) in late 1970's and 1980's individually. It uncovers balance between time given to work and time given to family and individual life. Keeping up with great balance between serious and fun activities (WLB) has been embraced by the public authority for all representatives in the United Kingdom (UK) (Department for Business, Innovation and Skills, 2011), and the advantages of good WLB have been accounted for by the European Commission,

especially parental leave, breastfeeding arrangement, and adaptable work space (Vaganay, Canónico and Courtin 2016).

In the Nigerian setting, the encumbrance of work jobs, family jobs and extended periods of time of work culture on representatives of Deposit Money Banks have make it hard for representatives to adjust their work and day to day life (Ogechi and Nwaeke, 2019). Nigerian representatives in store cash banks are along these lines confronted with the test of focusing on among work and non-work jobs (Mmakwe and Ojiabo, 2018). In the bid to acquire upper hand with comparable associations, there are balance between serious and fun activities aspect, for example, adaptable work plan, wellbeing programs Family Responsibility and work-life struggle (Vikram and Shikha, 2020). Associations search for innovativeness of representatives which is just conceivable assuming workers are liberated from any private and expert irregularity. They consequently give projects and classes to make balance among work and life.

## **1.2 Statement of the Problem**

Poor work-life balance is a global issue that greatly affects the performance of employees of Deposit Money Banks and organizational performance. Lack of work flexibility, high work pressure and longer working hours are factors that negatively affect many employees of Deposit Money Banks and thereby reducing their job performance and productivity as well as causing broken homes. Also, employees of Deposit Money Banks face personal issues outside work which demoralize them and in turn discourage them to be zealous in their service delivery to customers. All these may result in customers threatening to withdraw their patronage from the banks. Due to the nature of the work environment, Deposit Money Banks now go into strategic alliance with other banks through mergers and acquisitions for expansion, increased capital base and customer base. Managers therefore have higher expectations on employees, hence a misplacement of priority of interest by the employees trying to meet up with targets by the banks, which may affect their personal life.



However, available studies on work-life balance in Nigeria and Europe such as Lauren, Étienne, and Norma (2021) and Rahman, Chima, Emeka, Uzoechi & Mordi (2018) have produced divergent result among its various sectors, which have effects on organisational performance within the work place. To this connection, it is curious as to whether work-life balance exhibit a positive or negative effect on organisational performance in the deposit money banks in Makurdi metropolis, especially given the period under review. In essence, the problem is: does work-life balance have positive or negative benefit on organisational performance within deposit Money Banks in Makurdi metropolis? It is in a bid to resolve these dichotomies that this study was embarked upon to ascertain the effect of work-life balance on organisational performance with specific reference to selected deposit money banks in Makurdi metropolis.

### **1.3 Research Objectives**

The specific objectives of the study are as follows:

- i. To ascertain the effect of family responsibility on organisational performance of Deposit Money Banks in Makurdi Metropolis.
- ii. To evaluate the effect of work-life conflict on organisational performance of Deposit Money Banks in Makurdi Metropolis.

### **1.4 Research Questions**

In the light of the research problem, the study sets to provide answers to the following research questions as follows:

- i. Does family responsibility have effect on organisational performance of Deposit Money Banks in Makurdi Metropolis?
- ii. To what extent do work-life conflicts have effect on organisational performance of Deposit Money Banks in Makurdi Metropolis?

### **1.5 Research Hypotheses**

The following null hypotheses are formulated to achieve objectives of the study:

**H0<sub>1</sub>:** Family responsibility do not have significant effect on organisational performance of Deposit Money Banks in Makurdi Metropolis.

**H0<sub>2</sub>:** Work- life conflicts do not have significant effect on organisational performance of Deposit Money Banks in Makurdi Metropolis.

### **2.1 Conceptual Framework**

The key concepts are derived from reviewing the related topics and phrases existing in literature, and from the findings of the literature theories.

### **2.2 Work - Life Balance**

In the present serious world, both private and public associations are confronting new difficulties in regards to proceeded with quality assistance conveyance and making submitted labor force (Wainaina, 2015). At present neither public nor private association can perform at most significant levels except if every single representative is focused on the association's objectives and goals (Varsha and Bhati 2012). Associations have thusly arrived at place of understanding that representatives are the drivers of effectiveness and upper hand (Lissy and Ventakash (2014).

The administration of balance between fun and serious activities or work-family struggle has been viewed as among the essential perspectives to be addressed by the association as a method for saving HR (Au and Ahmed, 2014). Balance between serious and fun activities envelops a harmony between two totally different jobs performed by an individual to be specific the jobs of work and the jobs of family, and to the holder of the jobs to bring fulfillment (Shaffer , Reiche, Dimitrova, Lazarova, Chen, Westman and Wurtz, 2016).

A new refinement by Casper, Vasziri, Wayne, DeHauw and Greenhaus (2018) recommended that this idea could be all the more precisely expressed as work-non-work balance. They highlighted representatives evaluation of how by and by good the blend of work and non-work jobs was for them. This has reverberation with (Brough, Hassan and Driscoll 2014) perception that individuals could encounter significant time responsibilities at work that didn't really impede their emotional feeling of harmony between the spaces of their lives. Casper Vasziri, Wayne, DeHauw and Greenhaus. (2018) distinguished three abstract equilibrium spaces beforehand not

recognized by different scientists: influence (enthusiastic), adequacy (feeling of achievement), and association (level of commitment) as instrumental in adding to people's feeling of harmony between their work and non-work areas.

The meaning of balance between fun and serious activities (WLB) can be deciphered as how much time spent on doing a task contrasted with how much time enjoyed with family and doing things they might appreciate (Meenakshi, Subrahmanyam, and Ravichandran, 2013). Moorhead and Griffin (2013) uncovered that balance between fun and serious activities is an individual's capacity to offset work requests with individual and family needs. Functionally characterized, balance between fun and serious activities is supposed to be the total time a singular uses to complete his work in examination with the total time enjoyed with relations and other person's commitment. It is additionally the most common way of controlling the work plans to allow staff to get cooperate with their different obligations like youngster care or matured relative (Upadhaya, Munir and Blount, 2014).

### **2.2.1 Family Responsibility**

This includes more than working moms or fathers, really focusing on youngsters or any laborer really focusing on one more relative for instance single grown-ups really focusing on aunts, uncles and older ones. Family obligation can be comprehensively characterized as the commitment to really focus on other people who are either officially or casually authorized relatives. Family comprises a huge piece of individual life for the vast majority across their life. Never the less, today, there is a bunch of new difficulties which remember the ascent for ladies' paid work, development in nonstandard work, work heightening, maturing and changes in family examples like development in single parent families (World of Work Report, 2011).

The requests that one involvement with everyday life that have impacts on his/her balance between fun and serious activities can be given as interest of responsibility, for example, shopping, house tasks, youngster care and time, job assumptions in the family and absence of help given to the mate (Aycan, Al-Hamad, Davis, and Budhwar, 2017). Again marriage, youngster raising, minding of the

older ones at home have impact on balance between serious and fun activities since they request all the more family obligation. The people who need to care for a kid or old may now and again need to hazard their vocation by shortening their functioning hours which turns into a wellspring of stress for themselves and too influence authoritative execution (Lowe, 2015). The overarching western culture accentuates serious mothering with regards to youngster care (Haynes, 2017). Concentrated mothering is restrictive, youngster focused, genuinely including and tedious and as the mother is dedicated to really focus on others, she is likewise forfeiting in light of the fact that she is a person with her own necessities and interests. Concentrated mothering philosophy both expects and builds up the customary orientation based division of work. Anyway notwithstanding the more noteworthy association of men in kid care (Halrynjo, 2019),

### **2.2.2 Work-Life Conflict**

Work-life struggle is characterized as a type of busy job struggle in which work and family requests in a single area sets it hard to live up to assumptions in the other (Higgins, Duxbury and Lyons, 2017). This definition suggests multi directional relationship where work can influence family as well as the other way around .

As indicated by Kossek and Lee (2017 ), the idea of work-life struggle is an augmentation of work-family struggle mirroring the truth that the work job might impede people other individual life jobs and interests individuals who experience undeniable degrees of work-life struggle report that their work job keeps them from focusing on significant things in their family or individual lives, they have deficient time or energy for the notable individuals in their lives due to their work, and they feel like their work jobs undercut their ability to perform home-related jobs. At the point when work and family are in struggle, acquiring compensations in a single space requires prior remunerations in the other (Schmidt, 2012).

For instance when encounters at work obstruct different parts of life like broad, sporadic, or unbendable work hours, work over-burden and different types of occupation stress, relational struggle at work, broad travel, profession changes,

unsupportive chief or association and, a startling gathering late in the day might keep a parent from getting their youngster from the everyday schedule to profound issues. One area of existing exploration on work-life struggle has zeroed in on bad overflow from home to work and all the more explicitly, when the pressure from factors in people's home and everyday life stretches out into and unfavorably influences working in the work environment (Schmidt, 2012).

## **2.6 Organisational Performance**

Idea of authoritative execution has acquired expanding consideration in late many years, being unavoidable in practically all circles of the human movement. Hierarchical Performance is an emotional impression of the real world, which clarifies the large number of basic reflections on the idea and its estimating instruments. Because of the huge number of ideas utilized in hierarchical execution, it is increasingly more befuddled while talking about this idea. Hence, hierarchical execution is bewildered with ideas, for example, usefulness, development, proficiency, viability, client and representative fulfillment, economy, acquiring limit, benefit and intensity. Consequently it is progressively demanded an unmistakable and unambiguous meaning of the idea of execution. The term authoritative execution arose during the nineteenth century and was first utilized in characterizing the outcomes to a donning challenge.

In the 20th century, the idea has advanced and fostered a progression of definitions that were intended to incorporate the largest feeling of what is seen through authoritative execution. At present, there is no presentation autonomous to designated destinations and arriving at the goals interprets with accomplishing the exhibition in an association. Since the destinations of an association can't be characterized unequivocally and are more various, the presentation become hard to characterize, as it is a relative measure. (Particle Elena-Iuliana & Criveanu Maria, 2016). Particle Elena-Iuliana and Criveanu Maria, (2016), accepts that authoritative presentation comprises in "achieving the objectives that were given to you in union of big business orientations". As they would like to think, execution is certifiably not a simple finding of a result, but instead it is the

aftereffect of an examination between the result and the target. Dissimilar to different creators, Didier Noyé thinks about that this idea is really an examination of the result and the goal. The creator's definition is a long way from clear, as the two results and targets change, most frequently, starting with one field of action then onto the next.

### **2.3.1 Spill-Over Theory**

This study is anchored on spill-over theory by Guest (2002). It postulates the conditions under which spill-over between the work micro system and the family micro system occurs. It can either be positive or negative. If work-family interactions are rigidly structured in time and space, then spill over in term of time, energy and behavior is negative. When flexibility occurs which enables individuals to integrate and overlap work and family responsibilities in time and space lead to positive spill over which is instrumental in achieving healthy work life balance. The spill-over theory suggests that there is a similarity between what occurs in the work environment and what occurs in the family environment (Sidin, Sambasivan & Ismail, 2010). The theory emphasizes on the tendency of the worker to carry their emotions, attitudes, skills and behaviors that they establish at work into their family life and vice versa (Sidin, Sambasivan & Ismail, 2010).

According to Guest (2002), the determinants of work-life balance are located in the work and home contexts. Contextual determinants include demands of work, culture of work, demands of home and culture of home. Individual determinants include work orientation (i.e. the extent to which work (or home) is a central life interest), personality, energy, personal control and coping, gender and age, life and career stage. The variables of the study are under the contextual determinants which are family responsibility and work-life conflict.

## **2.4 Review of Empirical Studies**

Inge, Mochamad and Ayu (2020) investigated the "influence of work-life balance and emotional intelligence on turnover intention with organizational commitment as an intervening variable in Indonesia" The research method used in this research is descriptive method. The total population of this study was all employees of PT,

Grafitama Deltakreasi numbered of 60 people. Employees in a computer spare parts Distribution Company with a sample of 60 respondents. The approach used in this research is Structural equation Model (SEM) with Smart-PLS analysis tool 3.2.8. The results show that work-life balance had a positive and significant effect on organizational commitment. Emotional intelligence had a positive and significant effect on organizational commitment. Work-life balance had a negative and significant effect on turnover intention. Emotional intelligence had a positive and significant effect on turnover intention and finally, organizational commitment has a negative and significant effect on turnover intention.

Aziz and Nicholas (2020) studied “Work-life balance and self-reported health among working adults in Europe” A gender and welfare state regime comparative analysis. The pressing demands of work over the years have had a significant constraint on the family and social life of working adults. Moreover, failure to achieve a ‘balance’ between these domains of life may have an adverse effect on their health. This study investigated the relationship between work-life conflict and self-reported health among working adults in contemporary welfare countries in Europe. Data from the 6th European Working Conditions Survey 2015 on 32,275 working adults from 30 countries in Europe were analysed. Multivariate logistic regression models were used to examine the associations between work-life balance and self-reported health among men and women. We further used a 2 stage multi-level logistic regression to assess variations in self-reported health among welfare state regimes by gender. The results showed a strong association between work-life conflict and poor self-reported health among working adults in Europe (aOR = 2.07; 95% CI: 1.93–2.23). However, the magnitude of the effect differed slightly by gender (men: aOR = 1.97; 95% CI: 1.78–2.18 vs women: aOR = 2.23; 95% CI: 2.01–2.47). Furthermore, we found variations in the relationship between work-life conflict and poor self-reported health between welfare states regimes. The association was found to be weaker in the Nordic and Southern welfare states than the Liberal, Conservative, and Central Eastern European welfare states. Although the associations were more consistent among men

than women in the Conservative welfare states regime, we found higher associations for women than men in the Southern, Nordic, Liberal, and Central Eastern European welfare states. This study provides evidence of some variations in the association between work-life conflict and poor self-reported health among men and women across welfare states regimes in Europe. The results demonstrate the need for governments, organizations and policymakers to provide conducive working conditions and social policies for working adults to deal with competing demands from work and family activities. However, the measure of work-life balance by this study was assessed by using only one question on “whether working hours fit in with family or social commitments”. Although work-family fit serves as an important proxy in dealing with issues of work-life balance, it still lacks the theoretical basis in describing how the dimensions of work-life conflict and facilitation operate together in shaping the individual and organization.

Ting, Mingfang, and Shenglang (2021) examine “Women’s Work-Life Balance in Hospitality: Examining Its Impact on Organizational Commitment in China” Women account for a large proportion of the hotel industry. Work-life conflict has become one of the main obstacles to the organizational commitment of women. Thus, this study investigates the relationship for women between work-life balance, as an independent variable, and organizational commitment, as a dependent variable. Specifically, the study examines women’s work-life balance in the hospitality industry and compares women’s organizational commitment under different levels of work-life balance. Then, we assess whether women’s work-life balance and organizational commitment are associated with their socio-demographic characteristics (i.e., age, education, working years, and position level). Data were collected from 525 women employees in China. Multiple linear regression analyses were conducted to identify the relationship between work-life balance and organizational commitment. The results showed that work-life balance had a significant effect on organizational commitment. There was also a significant relationship between women’s socio-demographic characteristics,

work-life balance, and organizational commitment. Hence, this study assessed whether women work-life balance and organisation commitment are associated with their social demography, Moreover, women with different socio-demographic factors might have different experiences, despite working in the same hotel. One major drawback is that the study lack to investigate the impact of experience based on the same hotel.

Sultan, Demet and Buse (2021) assessed “Work-Family Conflict during Working from Home Due to Pandemic: A Qualitative Research on Female Teachers in Istanbul” The aim of the study is to investigate the work-family conflict experienced by female teachers working from home due to Covid-19. The case study was used in the study. The study group of the research consists of teachers who are married and have children, working from home due to the pandemic process, working in Istanbul. 17 female teachers who met the criteria of teaching by distance education, being married and having children constituted the study group of the study. A semi-structured interview form developed by the researchers was used to collect the data. Thematic analysis technique was used in analyzing the data. According to the findings, the work-family conflict experienced by female teachers working from home during the pandemic process was grouped under three themes: time-based, strain-based and behavior-based conflict. Most of the female teachers working from home stated that they could not get administrative support during the distance education process. On the other hand, it was found that female teachers were emotionally tired during the process of working from home, their job satisfaction decreased, they were stressed, they had low motivation, and they had balancing concerns between home and work. However, this study found that female teacher are emotionally tired working from home, which limit the work because such explanation tend to overlook the fact that both men and women teacher were emotionally tired during the process of working from home.

Lauren, Étienne, and Norma (2021) investigated “The Effects of Family Responsibilities Discrimination on Public Employees’ Satisfaction

and Turnover Intentions in Canada” This study assesses the degree to which family responsibilities discrimination (FRD) can diminish work satisfaction and lead to intentions of leaving the public service. It also examines the effects of flexible work arrangements on work satisfaction and intentions to leave. This study collected data from the Canadian PSES (Public Service Employee Survey, 2002). The PSES is sent to all employees of the federal public service with few exceptions. The entire population of the study was around 95,000 respondents that completed the questionnaire for a 55% response rate. Also, 106, 000 and 169,700 with 58.9% and 65.8% response rates. Applying Mahalanobis Distance Matching, we examine the Canadian Public Service Employee Survey and find evidence that family status discrimination has some impact on employees’ intention to leave the public service and can diminish satisfaction with work arrangements. Hence, the study reviewed so far suffer from the fact that two different group of respondent with different percentage in this study were used which is capable of complicated the result of this study.

## **Research Methodology**

### **3.1 Research Design**

A research design is the comprehensive blueprint used to guide a study towards the objectives. A cross-sectional survey design was adopted for this study. This design is considered appropriate because it was used to collect relevant data from the respondents on the research variables. Data collected was used for data analysis. It is the overall plan for connecting the conceptual research problems with the pertinent (and achievable) empirical research. In other words, the research design sets the procedure on the required data, the methods to be applied, to collect and analyze this data, and how all of this is going to answer the research question (Grey, 2014).

### **3.2 Population of the Study**

The Population for this study consists of 606 employees of Access Bank Plc, First Bank of Nigeria Plc, Zenith Bank Plc, United Bank for Africa and Guaranty Trust Bank Plc. Convenience is the main reason for selecting these five banks out of many other Deposit Money Banks in Makurdi metropolis. As a sector, banking industry



was used because, it is a sector that puts high pressure on employees and demand since they (employees) are dealing with people’s deposits. The study population is summarized in the tabular form below for easy assessment.

$$n = \frac{606}{1 + 1.52}$$

$$n = \frac{606}{2.52}$$

$$n = 240 .$$

**3.3 Sample Size Determination**

To avoid problem of response biasness and to increase the response rate for the study, the researcher uses Taro Yemane formula to determine a sample size at a 95% confidence level and P = 0.5 are assumed for Equation. The formula presented here generate estimates of the necessary sample size required based on statistical criteria (Creswell, 2003).268 respondents which were derived from a total population of 606 employees of all deposit money banks listed on floor of the Nigerian Stock Exchange in Makurdi Metropolis as shown below.

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

Where:

n = the required sample size

l = constant

N = the total population

R = level of significant

Note that, for the purpose of this study, r = 0.05

$$n = \frac{606}{1 + 606(0.05)^2}$$

$$n = \frac{606}{1 + 606(0.0025)}$$

**3.8 Model Specification**

According to Mugania (2017), multiple regression analysis attempts to determine whether a group of variables together predict a given dependent variable and in this way, attempt to increase the accuracy of the estimate. Multiple regression analysis was used to regress relationship between work life-balance with each predictor variable. To strengthen the relationship between work life balance and performance, employee biography characteristics was included in the study. Quozi, Koh, Huang and Khoo (2011) observed that employees’ individual differences contribute by strengthening the relationship between work life balance and performance. The multiple regression models for this study were the linear model because the aim was to test the linear relationship of the variables from the beginning.

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e$$

Where

- Y = Performance
- X1 = Flexible work arrangements
- X2 = Wellness programs
- X3 = Family responsibilities
- X4 = Work life conflict
- β 0 = Constant
- e = stochastic term (error)

**Data Presentation, Analysis, and Discussion of Findings**

**Table 4.5: Respondents’ Views on Family Responsibility**

Questions	SA (%)	A (%)	N (%)	D (%)	SD (%)
Employees are allowed time to attend to family matters	84(33.3)	58(23.0)	52(20.6)	47(18.7)	11(4.4)
The bank provided employee assistance programmed like financial and counseling for critical matters	94(37.3)	57(22.6)	43(17.1)	37(14.7)	20(7.9)
I do not always have time with					



my children	65(25.8)	54(21.4)	49(19.4)	48(19.0)	35(13.9)
Employees always get paid leave or off to attend to family and critical personal matters	57(22.6)	69(27.4)	41(16.3)	54(21.4)	31(12.3)
I find it difficult to balance my job and family matter	54(21.4)	45(17.9)	55(21.8)	52(20.6)	45(17.9)

Source: Field Survey, 2021.

Result from the above table showed the result of the analysis of the question items on effect of family responsibility on performance of selected deposit money banks in Makurdi metropolis, Benue State. To find out if employees are allowed time to attend to family matters, 33.3 % of the respondents strongly agreed, 23.0 % agreed, 18.7 % disagreed and 4.4 % strongly disagreed. Majority of the respondents (53.3 %) agreed to this which shows that employees are allowed time for family matters which improves their performance.

To find out whether the bank provides employee assistance programmes like financial and counseling for critical family matters, 37.3 % of the respondents strongly agreed and 22.6 % agreed while 14.7 % disagreed and 7.9 % of the respondents strongly disagreed. Since 59.9 % of the respondents which constitute the majority strongly agreed with this, we therefore conclude that the banks provide employee assistance programmes for their employees.

Also, finding out if staffs always have time for their children, 25.8 % of the respondents strongly agreed, 21.4 % agreed, 19.0 % disagree and

13.9 % strongly disagreed. Since majority (47.2 %) of the respondents agreed this implies that employees of selected deposit money banks in Makurdi metropolis, Benue State do not have enough time for their children.

Finding out whether employees always get paid leave or off to attend to family and critical personal matters 22.6 % of the respondents strongly agree, 27.4 % agreed, 21.4 % disagreed while 12.3 % strongly disagreed. Majority of the respondents (50.0%) agreed with this question hence we conclude that employees selected deposit money banks in Makurdi metropolis, Benue State often get paid leave or off to attend to family and personal matters.

Finally, finding out if staff of deposits money banks find it difficult to balance their job and family matters, 21.4 % of the respondents strongly agreed, 17.9 % agreed while 20.6 % and 17.9 % disagreed and strongly disagreed respectively. The above findings show that Family responsibilities of staffs affect the organizational performance of selected deposit money banks in Makurdi metropolis, Benue State.

**Table 4.6: Respondents' Views on Work-Life Conflict**

Questions	SA (%)	A (%)	N (%)	D (%)	SD (%)
I desire reduction of working hours due to pressure of work at home	75(29.8)	59(23.4)	28(11.1)	39(15.5)	49(19.4)
My family and personal life have kept me from getting work done	36(14.3)	47(18.7)	35(13.9)	83(32.9)	50(19.8)

Too much work at home makes me always strain at work	45(17.9)	60(23.8)	33(13.1)	70(27.8)	44(17.5)
Too many demands at work have limited my social life	60(23.8)	50(19.8)	44(17.5)	59(23.4)	39(15.52)
I have too many responsibilities outside work that makes me less effective at work	52(20.6)	50(19.8)	41(16.3)	59(23.4)	50(19.8)

**Source:** *Field Survey, 2021.*

Result from Table 4.6 showed the result of the analysis of the question items on effect of work-life conflict on the performance of selected deposit money banks in Makurdi metropolis, Benue State. In finding out if the staffs of selected deposit money banks desire reduction of working hours due to pressure of work at home, 29.8 % of the respondents strongly agreed, 23.4 % agreed, 15.5 % disagreed while 19.4 % strongly disagreed. This result implies that employees desire reduction of working hours due to pressure at home.

Also, finding out if employees’ family and personal life have kept them from getting work done, 14.3 % of the respondents strongly agreed and 18.7 % agreed while 32.9 % disagreed and 19.8 % strongly disagreed. Since 52.7 % of the respondents which constitute the majority disagreed, we conclude that family and personal life do not interfere in the employees’ ability to get work done.

Finding out if too much work at home make employees to strain at work, 17.9 % and 23.8 % of

the respondents agreed and strongly agreed respectively while 27.8 % disagree and 17.5 % strongly disagreed. This result implies that too much work at home do not affect the employees at work. Also, investigating if too many demands at work have limited the social lives of staffs, 23.8 % of the respondents strongly agree, 19.8 % agreed while 23.4 % disagreed and 15.5 % strongly disagreed.

Finding out if having too many responsibilities outside work makes the staff less effective at work, 20.6 % of the respondents strongly agreed, 19.8 % agreed, while 23.4 % disagreed and 19.8 % strongly disagreed. Majority of the respondents (43.2 %) disagreed to the question which means that too many responsibilities outside work makes the staff less effective at work. The implication of the above result is that work life conflict significantly affects organizational performance of selected deposit money banks in Makurdi metropolis, Benue State.

**Table 4.7: Respondents’ Views on Organizational Performance**

Questions	SA (%)	A (%)	N (%)	D (%)	SD (%)
I am always able to serve customers with ease	117(46.4)	81(32.1)	16(6.3)	24(9.5)	12(4.8)
The number of customers in the organization have greatly increased	117(46.8)	103(40.9)	19(7.5)	10(4.0)	2(0.8)
I am always motivated to work hence I am satisfied with my work	92(36.5)	95(37.7)	41(16.3)	15(6.0)	9(3.6)
Given the choice I would wish to					

work for this organization in the next five years	103(40.9)	102(40.5)	24(9.5)	15(6.0)	7(2.8)
My performance at work has Positively improved	105(41.7)	102(40.5)	30(11.9)	11(4.4)	4(1.6)
My performance appraisal has been Above average	114(45.2)	95(37.7)	23(9.1)	13(5.2)	7(2.8)

**Source:** Field Survey, 2021.

Result from Table 4.7 showed the result of the analysis of the question items on performance of selected deposit money banks in Makurdi metropolis, Benue State. To find out if staffs are always able to serve customers with ease, 46.4 % of the respondents strongly agreed, 32.1 % agreed, 9.5 % disagreed and 4.8 % strongly disagreed.

Investigating if the number of customers in the organization has greatly increased, 46.4 % of the respondents strongly agreed and 40.9 % agreed while 4.0 % disagreed and 0.8 % strongly disagreed. Since 87.3 % of the respondents which constitute the majority agreed on this, we therefore conclude that there has been increase in the customers which results to high sales turnover amongst selected deposit money banks in Makurdi Metropolis, Benue State.

Also, investigating if employees are motivated to work and are satisfied with their work, 36.5 % of the respondents strongly agreed, 37.7% agreed, 6.0 % disagree and 3.6 % strongly disagreed. The majority (74.2 %) of the respondents agreed that they are motivated and are satisfied with their work.

Finding out if given the choice employees will like to work for the organization in the next five years, 40.9 % of the respondents strongly agree, 40.5% agreed, 6.0 % disagreed while only 2.8 % strongly disagreed. Since majority (81.4 %) of the respondents agreed with the question, we conclude that there has been improvement in the employees' job satisfaction.

In finding out if the performance of staffs has positively improved, 41.7 % of the respondents strongly agreed, 40.5 % agreed while 4.4 % disagreed and 1.6% strongly disagreed. The above result is a clear indication that there is increase in employees' performance

In assessing if the performance appraisal of staffs has been above average, 45.2 % of the respondents strongly agree, 37.7 % agreed while 5.2 % disagreed and 2.8 % strongly disagreed. This result implies that the performance of staff in selected deposit money banks in Makurdi metropolis, Benue State has greatly improved. The above response clearly indicates that an increase or improvement in performance of selected deposit money banks in Makurdi metropolis, Benue State.

**Analysis of Variance (ANOVA)**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	68.728	4	17.182	82.265	.000 <sup>b</sup>
Residual	51.589	247	.209		
Total	120.317	251			

- a. Dependent Variable: Organizational performance
- b. Predictors: (Constant), Work-life conflict and Family responsibility,
- c. **Source:** Computation from SPSS Output, 2021.
- d.

The result of the Analysis of Variance (ANOVA) presented in table 4.9 shows that the processed data had a significance level of 0.000 which and F-value (82.265) indicating that the model was statistically significant, valid and fit. This implies that family responsibility and work-life conflict significantly affect the performance of selected deposit money banks in Nigeria.

Regression Coefficients							
Model	Variables	Unstandardized Coefficients		t	Sig.	Collinearity Statistics	
		B	Std. Error			Tolerance	VIF
1	(Constant)	.243	.201	1.208	.228		
	FR	.267	.056	3.193	.034	.530	1.722
	WLC	.293	.062	3.109	.002	.581	1.722

a. Dependent Variable: Organizational Performance

Source: Computation from SPSS Output, 2021.

The regression coefficient indicates that holding all variables to a constant zero, performance of deposit money banks would be 26.7% and unit increase in work-life conflict would affect performance of deposit money banks by 29.3%. The study also found that all the p-values were less than 0.05 (.034, .002), indicating that all the variables have statistically significant effect on performance of deposit money banks in Makurdi metropolis.

Also, the tolerance and variance inflation factor (VIF) values in Table 4.10 showed the absence of multi-collinearity. The VIF values of all the variables were less than 2 which were far less than 10 considered harmful for regression analysis. The general rule is that when VIF values exceed 10 it is a sign of multi-collinearity. The tolerance values are a measure of the correlation between the predictor variables and can vary between 0 and 1. The closer to zero the tolerance value is for a variable, the stronger the relationship between the variable and the other predictor variables. For this model, all the tolerance values were high-ranging from 0.293 for work-life conflict to 0.267 for family responsibility.

### 4.3 Test of Hypotheses

The two hypotheses formulated in this study were tested at 0.05 level of significance as follows:

**H0<sub>1</sub>:** Family responsibility has no significant effect on performance of selected deposit money banks in Makurdi metropolis.

Hypothesis three states that family responsibility has no significant effect on performance of selected deposit money banks in Makurdi

metropolis. Result indicated that there is significant effect of family responsibility on performance of deposit money banks ( $t = 3.193$ ,  $P < 0.05$ ). This implies that there is statistical evidence to reject the null hypothesis ( $H_{03}$ ). Since the P – value (0.034) is less than 0.05 level of significance ( $P < 0.05$ ), the null hypothesis was rejected and we conclude that family responsibility has significant effect on performance of selected deposit money banks in Makurdi metropolis.

**H0<sub>2</sub>:** Work-life conflicts have no significant effect on performance of selected deposit money banks in Makurdi metropolis.

The result of hypothesis four revealed that work-life conflicts have significant effect on the performance of deposit money banks in Makurdi metropolis ( $t = 3.109$ ,  $P < 0.05$ ). This implies that there is statistical evidence to reject the null hypothesis ( $H_{04}$ ). Since the P – value (0.002) is less than 0.05 level of significance ( $P < 0.05$ ) hence the null hypothesis was rejected and we conclude that work-life conflicts have significant effect on performance of selected deposit money banks in Makurdi metropolis.

### 4.4 Discussion of Findings

Findings of the study on objective one revealed that family responsibility has significant effect on performance of selected deposit money banks in Makurdi metropolis. Regression was used to test the hypothesis at 5 % level of significance and the p-value (0.034) was lower than the significance level. This can be statistically given as P-value

$0.034 < \alpha = 0.05$ . This finding is consistent with Lauren, Etienne and Norma (2021) whose study on the effects of family responsibilities on employee satisfaction and turnover indicated that family responsibilities significantly affect the employee satisfaction and overall organizational performance. Prakash (2019) also found significant relationship between family responsibilities and productivity of banks. A study by Quo and Zhao (2012) also showed significant effect of family responsibilities on organizational performance. The implication of the finding to managers is that organizations are supposed to create an enabling environment that should help employees take care of family members by balancing work and family issues.

Finally, result collected from the test of hypothesis four indicated that work-life conflicts has significant effect on performance of selected deposit money banks in Makurdi metropolis. Regression was used to test the hypothesis at 5 % level of significance and the p-value (0.002) was lower than the significance level. This can be statistically given as  $P\text{-value } 0.002 < \alpha = 0.05$ . This finding is in consonance with the works of Kossek and Lee (2017) who found that work-life conflicts significantly affect the performance of employees and organization. In tandem with this result, O'Connor and Cech (2018) affirmed the significant effect of work-conflict on organizational performance. Inge, Mohammad and Ayu (2020) in their study found that work-life conflict has significant effect on turnover intention and organizational commitment in Indonesia. The implication of this result is that banks should design policies that encourage employees not to have too many responsibilities at home that will negatively affect their performance at work.

### **5.3 Conclusion**

This study examines the effect of work-life balance on performance of selected deposit money banks in Makurdi Metropolis. The study further concludes that family responsibility affects the performance of organizations. Finally, the study concludes that work-life conflicts have effect on performance of deposit money banks in Makurdi metropolis.

### **5.4 Recommendations**

Based on the findings and conclusion, the following recommendations are made:

- i. Management of Deposit money Banks in Nigeria should create an enabling environment that should help employees take care of family members by balancing work and family issues.
- ii. Deposits Money Banks in Nigeria should ensure that leave policies cover all categories of employees regardless of their position in the organization. Banks should provide employee assistance programmes like financial and counseling for critical family matters. This will allow more time for employees to attend to family matters.

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# Strategic Alliance and the Performance of Small and Medium Enterprises (SMEs) in North-Central, Nigeria: A focus on Covid-19 Pandemic Era

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## ABSTRACT

*The study examines the nexus between strategic alliance and performance of small and medium enterprises (SMEs) in North-Central, Nigeria with special focus on Covid-19 pandemic era. Specifically, it evaluated the extent of relationship between technology alliance and product innovation of SMEs in North-Central, Nigeria in the pandemic era. The survey design was used. A structured questionnaire was used to collect data. Taro Yamane's formula was used to determine a sample size of 390 SMEs from a population of 15,538. The study employed descriptive and inferential statistics techniques. Spearman's rank order correlation method was used to test the formulated hypothesis with the aid of Statistical Package for Social Sciences (SPSS) version 23.0 for Windows. The study revealed a significant and positive relationship between technology alliance and product innovation of SMEs in North Central Nigeria (0.899). It was therefore recommended that for SMEs to stay competitive and innovative in the era of corona virus and beyond, they should ally strategically through technology.*

**KEY WORDS:** Strategic Alliance, Technology, Innovation, SMEs, Covid-19

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## INTRODUCTION

The outbreak of corona virus disease (COVID-19) in Wuhan city, China in late 2019 has severely affected national and global economies. Different enterprises across the globe are facing various issues with a certain degree of losses. Particularly in Nigeria, enterprises are facing a variety of problems such as a decrease in demand, supply chain disruptions, cancelation of import and export orders, raw material shortage, and transportation disruptions, among others. Though enterprises around the world are experiencing the significant impact of COVID-19 outbreak on their businesses, major victims of the outbreak are the small and medium-sized enterprises (SMEs) because SMEs, in comparison to large enterprises, usually do not possess sufficient resources, especially financial and managerial, and are not always prepared for such disruptions. Additionally, these firms are highly dependent on their routine business transactions and a small number of customers (Williams & Schaefer, 2013). Hence, many SMEs are running out of stock, some have stopped operation, and some are going bankrupt.

**To stem the negative impact of COVID-19 on businesses, among the strategic options gaining prominence at present is a strategic alliance.** Strategic alliance according to Tjemkes, Vos and Burgers (2018) is a voluntary, long-term, contractual relationship between two or more autonomous and independent organizations (i.e. firms), designed to achieve mutual and individual objectives by sharing and/or creating resources. This definition encompasses inter-organizational relationships, such as joint ventures, purchase partnerships, research and development partnerships, co-makerships, co-creation efforts, multi-partner alliances, public-private partnerships and consortia, but it excludes arrangements such as mergers and acquisitions (Tjemkes, Vos & Burgers, 2018).

Strategic alliances between organizations are becoming increasingly popular these days amidst Covid-19 pandemic era and have become cornerstones for the competitive strategy of many firms, enabling them to achieve objectives that otherwise would be difficult to realize. Companies are searching for innovative ways to enhance profitability, handle uncertainty and build competitive advantage. In recent times, alliances

have become an important part of the competition and growth strategies of most companies (Ajao, Oyebisi, Aderemi, & Jegede, 2015). Strategic alliances help firms strengthen their competitive position by enhancing market power, increasing efficiencies (Ahuja, 2000), accessing new or critical resources or capabilities (Rothaermel & Boeker, 2008), and entering new markets (Garcia-Canal, Duarte, Criado, & Llana, 2002).

Small and medium enterprises are manufacturing, processing or service enterprises, that create independence, self-reliance, expectation of income and so forth for owners (Obioma, 2017). They play critical role in economic development of nations. They are the hub and vitality for economic development of any society. They are globally acknowledged as veritable tools for wealth creation, employment generation, and sustainability. Studies have revealed that SMEs have retained their position as the backbone of developed and developing countries as they account for about 70 and 95% of all business entities in most countries around the world and also create between 50 and 80% of employment (Ogbechie & Anetor 2015). In Nigeria, SMEs play a significant role in generating employment and income generation opportunities for low-income earners in the economy.

However, as corona virus pandemic continue to sway and competition intensifies, the business environment has become increasingly turbulent thereby creating opportunities and threats, this class of business (SME) is expected to put in place strategies to enable them struggle for the right market share and gain competitive advantage over their rivals. It is against this background that the study evaluated the effect of strategic alliance on the performance of SMEs in North-Central, Nigeria, bearing in mind the devastating impact of Corona virus (also known as Covid-19).

### Statement of the Problem

Notwithstanding the increasing trend of inter-firm alliance phenomenon, there is no robust empirical literature dealing with the collaboration among SMEs in Nigeria most especially in this era of corona virus pandemic. A review of several empirical studies show that majority of the research on strategic alliance and performance of

firms' in the era of the pandemic were from developed economies such as UK, USA and European countries and Kenya (in terms of developing countries and emerging market economies) and have basically captured large companies and banks thereby ignoring the small and medium-sized enterprises. Besides, empirical evidence on the relationship between strategic alliance and organization performance available in the literature are mixed and inconclusive. Some researchers found a positive correlation between strategic alliance and performance (for instance, Supriyadi, 2014; Warui, 2014; Kilimo, 2014; Yang, Lai, Wang, Rauniar & Xie, 2014). Whereas, others documented a negative and no significant relationship between strategic alliance and performance (Oduor & Muthoka, 2014; and Onje & Oloko, 2016). In addition, most of these empirical studies have not explicitly identified the performance measures adopted in their various studies. Thus, the lack of performance criteria reduces confidence in generalizing the relationship between strategic alliance and performance of organization makes the present study contentious for Nigeria

Hence, it is against this backdrop that the present study set to fill the identified gap in literature by using a decompositional approach in exploring the relationship between technology alliance and product innovation of SMEs in North-Central, Nigeria with reference to Covid-19 pandemic.

### **Objective of the Study**

The study aims to evaluate the nexus between strategic alliance and performance of small and medium enterprises (SMEs) in North-Central, Nigeria with special focus on Covid-19 pandemic era. Specifically, it evaluated the nature of relationship between technology alliance and product innovation of SMEs in North-Central, Nigeria in the Covid-19 pandemic era.

### **Research Hypothesis**

**H<sub>0</sub>:** There is no significant relationship between technology alliance and product innovation of SMEs in North Central Nigeria in the Covid-19 pandemic era.

## **REVIEW OF RELATED LITERATURE**

### **Strategic Alliance**

Several definitions of strategic alliance exist in the relevant literature. A few of these definitions will suffice in this study. Strategic alliance according to Tjemkes, Vos and Burgers (2018) is a voluntary, long-term, contractual relationship between two or more autonomous and independent organizations (i.e. firms), designed to achieve mutual and individual objectives by sharing and/or creating resources. Strategic alliances are generally regarded as a particular mode of long term inter-organizational relationship where two or more participants share knowledge, resources and capabilities with the aim of enhancing competitive positions of each participant (Kiprotich, Kemboi & Kiprop, 2015). According to the Institute of Certified Public Accountants of Uganda (2014), strategic alliance is an integration model in which organizations identify their areas of strengths and weaknesses so as to determine the basis of working together. This entails alliance by liaison, consultations and through mutual agreement. A typical strategic alliance formation process involves; strategy development, partner assessment, contract negotiation, alliance operation and alliance termination. This form of cooperation lies between mergers and acquisitions and organic growth.

Todeva and Knoke (2005) maintained that strategic alliance involves at least two partner firms that: (1) remain legally independent after the alliance is formed; (2) share benefits and managerial control over the performance of assigned tasks; and (3) make continuing contributions in one or more strategic areas, such as technology or products. These three criteria imply that strategic alliances create interdependence between autonomous economic units, bringing new benefits to the partners in the form of intangible assets, and obligating them to make continuing contributions to their partnership.

From the foregoing, it could be deduced that strategic alliances are therefore organizations of at least two companies or specialty units that cooperate to accomplish strategically noteworthy targets that are commonly valuable to the parties. These strategic alliances present massive potential to a business.

### **Technology Alliance**

Technological alliances involve technology transfer (access to knowledge and expertise), economic specialization, and shared expenses and risk. Technological strategic alliances is an embodiment of variable that gathers the total number of alliances that a firm has developed in R&D, innovation and staff training in new technologies over a period of time. This variable is operationalized by summing the various agreements the firm has developed. This is because; the impact of alliances on firm performance should be assessed after they have ended (Camisón-zornoza, 2007). However, since the misuse of technology transfer has been so potentially damaging to participants, their experience with, reputation of, and trust in alliance partners will be important to their economic survival (Krishnan, et al., 2006). Managers must also learn to improve their firms' nurturing talents in order to gain access to knowledge about innovations that are being developed within young organizations (Alvarez, 2006; Reuer & Ragozzino, 2008).

### **Concept of Performance**

Gavrea, Ilies and Slegorean (2011) assert that although the concept of organizational performance is very common in the academic literature, its definition is difficult because of its various meanings. For this reason there is no universally accepted definition of this concept. They further explained that the years 80s and 90s were marked by the realization that the identification of organizational objectives is more complex than initially considered. Managers began to understand that an organization is successful if it accomplishes its goals (effectiveness) using a minimum of resources (efficiency).

The need to measure organizational performance cannot be over emphasized, as the evaluation brings out the differences between success and failure. On this premise, Haman, Schieman, Bellora and Guenther (2013) advocated that the crux of management research is to prove succinctly that instruments and methods such as strategic planning, zero based budgeting, or the balanced score card are able to enhance organizational performance.

What then is organizational performance? How can it be defined and measured in a reliable and valid manner? There are several categories of stakeholders such as shareholders, customers, suppliers, competitors, would be investors, government etc, that are interested in knowing the state of the health of the firm. The expectations of those critical stakeholders of what constitute performance therefore would differ. However, simply put, performance is the extent to which the organizational goals are achieved and it varies from one place to another depending on the measurement carried to determine how the organization performs (Ferrel, 2004).

Organizational performance is the accumulated end results of all organization work, processes and activities (Robbins & Coulter, 2010). Strategic partnership can therefore be viewed as a tool for competitive advantage which is intended to enhance performance of organization through the synergy that is derived from combined efforts of the partnering organizations.

Organizational performance comprises the actual output or results of an organization as measured against its intended outputs (or goals and objectives). According to Richard et al (2009), organizational performance encompasses three specific areas of firm outcomes:

1. Financial Performance (profits, return on assets, return on investment etc;
2. product market performance (sales volume, market share) and
3. Shareholder return, economic value aided.

Kaplan and Norton (1999) developed the balanced scorecard which helps managers resist the temptation to concentrate on financial measures and instead monitor a diverse set of important measures that are important for understanding organizational activities that lead to sustained, long-term performance. The balance scorecard recommends tracking a small number of key measures that collectively reflect four dimensions: (1) Financial, (2) Customers, (3) Internal business process and (4) Learning and growth. This study therefore used product innovation as measure of SMEs performance.

### **Product Innovation**

Product is anything that can be offered to a market for attention, acquisition, use, or

consumption that might satisfy a want or need (Kotler & Armstrong, 2021). It includes tangible items like soap, performs, handset, television etc., as well as intangible services such as service of a beautician, layer, barber, transporters etc.

According to Trott (2010), product innovation is described as a process of production and implementation of a new or significantly improved production or delivery method; and organizational changes which is the creation or alteration of the structures practices and models, management of staff and improving product design. Lumpkin and Dess (2006) describe product innovation as the tendency of firms to implement and support new ideas, novelty, experimentation, and creative processes that producing the products, services, or processes of new technologies. Meanwhile, Knight (2004) confirm that product innovation is the tendency of openness to new ideas as an aspect of organizational culture, which resulted in the innovation capacity of a firm ability to adopt or implement ideas, processes, and new products successfully. Product innovation according to Sanjay (2013) means the introduction of new goods, introduction of new methods of production, the opening of new market the congestion of a new source of supply and carrying out re-organization of any industry. Cabral (2013) is also of the view that, innovativeness is the successful introduction of a new thing or method.

According to Drucker (1985), the general sources of innovations are different changes in industry structure, in market structure, in local and global demographics, in human perception, mood and meaning, in the amount of already available scientific knowledge among others. Innovation is the specific function of entrepreneurship, whether in an existing business, a public service institution, or a new venture started by a lone individual in the family kitchen. It is the means by which the entrepreneur either creates new wealth-producing resources or endows existing resources with enhanced potential for creating wealth (Drucker, 1985).

Essentially, innovativeness results from the achievement made by the firm in developing new products, services and processes. It is held that innovative firms are better performing than their competitors (Certo, Moss & Short, 2009). Lumpkin and Dess (1996) define innovativeness

as the propensity of a firm to adopting new ideas, creative processes and experimentation which lead to new products, services or technological processes. They note that the idea of innovativeness was first associated with entrepreneurship by Schumpeter (1942) who emphasized the role of innovation in the entrepreneurial process. Certo et al. (2009) say that an innovative entry by a firm is able to disrupt existing market conditions and stimulate new demand by enacting Schumpeter's idea of the process of creative destruction which argues that the old technology is replaced by new technology through innovation and economic revolution.

The link between entrepreneurship development and innovation was supported by the results of Shane, Kolvereid and Westhead (1991), who found that innovation is among the key motives to start a business. Lumpkin and Dess (1996), state that innovativeness reflects a firm's tendency to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products, services or technological processes. According to Idemobi and Dapper (2017) Innovativeness refers to as the willingness to move forward from exiting technologies or practice and explore beyond the current borders and shows that a firm is putting effort into introducing new product to the market. Thus, innovativeness is vital for maintaining a firm's viability because it is a source of ideas that leads to improvements and new products and thus helps in sustaining a thriving firm (Lumpkin, Brigham & Moss, 2010).

### **Small and Medium Enterprises (SMEs)**

SMEs are a group of business entities or organizations that cut across all the sector of the economy and form the bulk of economic activities in every economy particularly, emerging and developing economies (Ogenyi, 2020). Various terminologies found in literature such as small and medium scale enterprises; small and medium-sized enterprises; small and medium enterprises are used interchangeably to describe these group of business entities. It should be noted that there is no generally accepted definition of a small business because the classification of businesses into large-scale or small-scale is subjective. Therefore, the definition of SMEs varies depending on the purpose, structure, institution or

country. Different authors, scholars and authorities have different ideas as to the differences in capital outlay, number of employees, sales turnover, fixed capital investment, available plant and machinery, market share and the level of development, these features equally vary from one country to the other (Zhiri, 2017). Nevertheless, operational definitions provided by corporate bodies are often used.

The Central Bank of Nigeria [CBN] (2020) defined SMEs as businesses with turnover of less than a hundred million (N100, 000,000) per annum and/ or less than three hundred (300) employees. This study adopts the definition of SMEs by CBN (2020).

### **Technology Alliance and Product Innovation**

The relationship between technology alliance and organizational performance has been well documented. For instance, Yu, Nguyen, and Chen (2016) demonstrated that strategic alliance enhances the process of achieving both product and process innovation of high tech ventures, thus new high-tech enterprises must focus on developing collaborative capability with strategic partner in their value chain in order to innovate new product or process and achieve competitive advantage. Lee, Lee, and Pennings (2001) found that interactions between firm's linkage and internal capabilities have significantly influences performance. Nieto and Santamaría (2007) found that alliance with suppliers, customer and research institution have positively impacted on new innovation, while alliance with competitors negatively impacted. The greatest impact on the extent of innovation comes from alliance comprising different of partners. The result of study conducted by Soosay, Hyland, and Ferrer (2008) reveals the extent to which alliance impacted on the company's operation and capability to innovate. The ability to collaborate with partners enabled organization to learn and integrate operations for improved effectiveness in innovation activities (Sharma, Ghosh & Choudhury, 2014) and firm performance.

### **Theoretical Framework**

#### **Resource Dependency Theory**

This study is anchored on the Resource Dependency Theory. The theory was developed by Emerson (1963) and further progressed by

Pfeffer and Salancik (1978), who proposed that control over critical resources by one organization can make other firm depend on it. Resource Dependence Theory assumes that even operating in the same industry, firms are heterogeneous in terms of their resources and capabilities. In essence, the theory argues that organizations are often not self-sufficient for all the needed resources that can enable them to remain competitive. Therefore, they need to engage in exchanges with other organizations in one way or the other to gain the necessary resources for survival. This usually makes a strategic alliance a viable form of inter-organizational structure that can minimize uncertainties, thus enhancing access to much needed resources (Lin & Darnall, 2014).

Resource dependence theory has emerged as an important explanation for the persistent, firm level performance by emphasizing the firm's ability to create and sustain competitive advantage by acquiring defending advantageous resources positions. The competitive advantage of a firm is the result of a strategy that utilizes its unique resources and skills. The application of resource dependence theory will deepen our understanding of what resources parent firms prefer to control and how they control them (Lin, Yang, & Demirkan, 2007).

Hence, resource dependence theory has two major implications regarding strategic alliance and firm's performance. First, the use of strategic alliance is a mechanism to manage environmental uncertainties. Second, in response to different levels of uncertainties, differences in the use of strategic alliance should affect a firm's performance.

### **Empirical Review**

The debates on the relationship between technology strategic alliance and product innovation of firms have attracted a few studies from researchers. This is evident in the number of empirical studies conducted from both developed and developing economies over the years. In this regard, Oduor and Muthoka (2014) examined the effects of strategic alliances on organizational performance: supermarkets and their alliances in Kenya. The data was analyzed using a multiple regression model in order to test the effect of the independent variables relating to strategic alliances and the dependent variable performance.



Independent one-way ANOVA test and independent t-test (one tailed) were used to determine the level of significance. The empirical results of the study indicated that there was a strong, negative correlation between technological strategic alliances and performance. However, there was no statistical significant relationship between technological strategic alliances and performances among supermarkets and their alliances in Nairobi Central Business District (CBD). Correlation results indicated that there was a weak, negative effect between production strategic alliances and performance, for the supermarkets while for supermarket alliances there was a large, positive effect between the two variables. There was a strong, positive effect between marketing strategic alliances and performance for the supermarkets while for supermarket alliances there was a medium, positive correlation between marketing strategic alliances and performance.

Ekawati (2014) examined the impact of strategic partnerships on innovation capabilities and performance of the business of garment enterprises in the province of West Java – Indonesia. Data was analyzed using multiple regressions. The results showed that the strategic partnership provides a positive and significant impact on innovation capabilities. Directly, strategic partnerships have a positive and significant effect on innovation capabilities.

Akpotu and Jasmine (2016) conducted a study on strategic alliances and operational sustainability in the Nigerian banking sector. A survey of 76 strategic bank personnel was used and the survey instrument generated data related to the examined constructs. The Spearman Rank statistic and multiple regressions were used as analytical tools. The findings showed that the multi-dimension of strategic alliance operationalized as technology, human capital development and research and development alliances have a significant relationship with operational sustainability and technological alliance with much weight based on the value = 0.312 on operational effectiveness therefore it was concluded that strategically created alliances ensures operational sustainability.

Supriyadi and Ratna (2014) carried a study on the effect of strategic partnership on innovation capability and business performance of

garment industry in West Java Indonesia. A total of 250 garment companies studied as a sample. Data was collected by questionnaires, where the respondents were the head of the company with manager-level positions. Data was analyzed with multiple regressions. The results showed that the strategic partnership provides a positive and significant impact on innovation capabilities. Directly, strategic partnerships also have a positive and significant effect on innovation capabilities. Innovation capability also has a positive and significant impact on business performance.

Olufemi, Banjo, Lucas and Quadri (2015) examined network process, strategic alliance and performance in Nigeria. Using the Spearman rank order correlation analysis, the study revealed that network process and strategic alliance have positive and significant relationship with performance of firms in Nigeria

Ajao, Oyebisi, Aderemi, and Jegede (2015) examined status and impact of strategic technology alliances among telecommunications firms in Nigeria. Using the descriptive analysis, the study revealed study shows a stronger correlation between strategic alliance and improved network coverage, reduced call drops, reduced downtime and reduced tariffs in the service that is being offered to customers. The allies also enjoy increased turnover when they collaborate as against operating in isolation. The study concluded that a well-structured strategic technology alliance relationship among telecommunications firms could bring about better services for sustainable development in the country.

## **METHODOLOGY**

The survey research design was adopted for this study. The target population of this study consists of 15,538 managers/owners of registered small and medium enterprises operational in the North Central region of Nigeria, which cut across manufacturing, pharmaceutical and communication sectors. The choice of only registered SMEs is because this research is concerned with SMEs technology strategic alliance and performance, and it is more likely that these will be evident in businesses that are legally organized as proprietary companies. The states covered are Benue, Kogi, Kwara, Niger,

Nasarawa, Plateau and Federal Capital Territory, Abuja. The Taro Yamane’s formula was used to obtain a sample size of 390. The simple random sampling technique was used. Primary data was collected using structured close-ended questionnaires. Secondary data were sourced from textbooks, internet, journals, magazines and other scholarly publications. The data for this study was collected by the researcher via self-administered questionnaires distributed to the respondents, that is, owners/managers of SMEs in the North Central Region of Nigeria. The questionnaire was designed in such a way that would make it easy to elicit valuable information

from the respondents. The close ended questionnaires were divided into two parts; Part A and B. Part A is based on the demographic information and nature of strategic alliance entered by the respondents and part B which comprises of five-point rating scale questions ranging from Strongly Agree (5), Agree (4), Disagree (3), Strongly Disagree (2) and Undecided (1) measuring the effect of technology alliance on product innovation of SMEs in North Central States in Nigeria in Covid-19 era. Descriptive and inferential statistics (spearman’s rank order correlation method) were used to analyze the data.

**DATA PRESENTATION AND ANALYSIS**

**Table 1: Descriptive statistics on the effect of technology alliance on product innovation of SMEs in North Central Nigeria in the Covid-19 pandemic era.**

Statement	SA	A	U	D	SD	Mean	Remarks
<b>Technology Strategic Alliance</b>							
1. Our firm has entered into alliances with other firms with the aim of funding research and development of new technology	112 (30%)	89 (24%)	8 (2.1%)	95 (25%)	71 (19%)	3.60	Agreed
2. Our firm has entered in agreement with financial/ICT firms to create payment platform for goods/services	159 (42%)	123 (33%)	5 (1.3%)	35 (9%)	53 (14%)	4.01	Agreed
3. Technology alliance has brought out innovative ways to market our product/services globally	189 (50%)	99 (26%)	1 (0.3%)	28 (7%)	58 (15%)	4.11	Agreed
4. Our firm has entered into alliances so as to have staff training in new technologies	106 (28%)	205 (55%)	3 (0.8%)	31 (8%)	30 (8%)	4.02	Agreed
5. Technology alliance has increased our competitive advantage	102 (27%)	109 (29%)	3 (0.8%)	100 (27%)	61 (16%)	3.66	Agreed
Mean	3.88						
Cronbach Alpha ( $\alpha$ )	0.81						
Valid N (listwise)	375						
<b>Product Innovation</b>							
6. Our business introduced and implemented new product during the last three years	89 (24%)	190 (51%)	5 (1.3%)	42 (11%)	49 (13%)	3.82	Agreed
7. New ideas and methods are always introduced into our products	169 (45%)	102 (27%)	5 (1.3%)	40 (11%)	59 (16%)	3.99	Agreed

8. There is enhancement of employees' skills for better performance	135 (36%)	101 (27%)	8 (2.1%)	61 (16%)	70 (19%)	3.76	Agreed
9. There is advancement of technology and equipment in our firm	112 (30%)	178 (47%)	3 (0.8%)	51 (14%)	31 (8%)	3.97	Agreed
10. Our company continuously improves on its products	102 (27%)	109 (29%)	3 (0.8%)	100 (27%)	61 (16%)	3.66	Agreed
Mean	3.84						
Cronbach Alpha ( $\alpha$ )	0.73						
Valid N (listwise)	375						
<b>Overall Mean</b>	<b>3.86</b>						

Source: Field Survey, (2020)

Table 1 depicts the responses to the Likert-scale question and the sample mean ( $\bar{x}$ ) in respect of the effect of technology alliance on product innovation of SMEs in North Central Nigeria in the Covid-19 pandemic era. For the question on whether the selected SMEs have entered into alliances with other firms with the aim of funding research and development of new technology, the responses show that 112 (30%) of the respondents strongly agree that the selected SMEs have entered into alliances with other firms with the aim of funding research and development of new technology, 89 (24%) agreed and 8 (2.1%) were undecided, while 95 (25%) and 71 (19%) disagreed and strongly disagreed respectively that the selected SMEs have entered into alliances with other firms with the aim of funding research and development of new technology. The associated sample mean of the responses is 3.60. This shows that the respondents agreed that the selected SMEs have entered into alliances with other firms with the aim of funding research and development of new technology; hence the mean is  $\geq 3.5$ .

For the question on whether the sampled SMEs have entered into agreement with financial/ICT firms to create payment platform for goods/services, 159 (42%) of the respondents strongly agreed that the sampled SMEs have entered into agreement with financial/ICT firms to create payment platform for goods/services, 123 (33%) of the respondents agreed, 5 (1.3%) were undecided,

while 35 (9%) and 53 (14%) disagreed and strongly disagreed respectively that the sampled SMEs have entered in agreement with financial/ICT firms to create payment platform for goods/services, giving a sample mean of 4.01. This shows that most of the respondents agreed that the sampled SMEs have entered into agreement with financial/ICT firms to create payment platform for goods/services; hence the mean is  $\geq 3.5$ .

For the question on whether technology alliance has brought out innovative ways for the sampled SMEs to market their product/services globally, the responses show that 189 (50%) of the respondents strongly agreed that technology alliance has brought out innovative ways for the sampled SMEs to market their product/services globally, 99 (26%) of the respondents agreed, 1 (0.3%) were undecided, while 28 (7%) and 58 (15%) disagreed and strongly disagreed respectively that technology alliance has brought out innovative ways for the sampled SMEs to market their product/services globally, giving a sample mean of 4.11. This shows that the respondents agreed that technology alliance has brought out innovative ways for the sampled SMEs to market their product/services globally; hence the mean is  $\geq 3.5$ .

For the question on whether the sampled SMEs have entered into alliances so as to train their staff in new technologies, 106

(28%) of the respondents strongly agreed that the sampled SMEs have entered into alliances so as to train their staff in new technologies, 205 (55%) of the respondents agreed, 3 (0.8%) were undecided, while 31 (8%) and 30 (8%) disagreed and strongly disagreed respectively that the sampled SMEs have entered into alliances so as to train their staff in new technologies, giving a sample mean of 4.02. This shows that most of the respondents agreed that the sampled SMEs have entered into alliances so as to train their staff in new technologies; hence the mean is  $\geq 3.5$ .

For the question on whether technology alliance has increased their competitive advantage, the responses show that 102 (27%) of the respondents strongly agreed that technology alliance has increased their competitive advantage, 109 (29%) of the respondents agreed, 3 (0.8%) were undecided, while 100 (27%) and 61 (16%) disagreed and strongly disagreed respectively that technology alliance has increased their competitive advantage, giving a sample mean

of 3.66. This shows that most of the respondents agreed that technology alliance has increased their competitive advantage; hence the mean is  $\geq 3.5$ .

On the average, the respondents agreed that technology alliance affects product innovations of SMEs in North Central, Nigeria in the Covid-19 pandemic era; hence, the overall mean (3.86) is  $\geq 3.5$ .

### Test of Hypothesis

This study examines technology alliance and product innovation of small and medium enterprises (SMEs) in North-Central, Nigeria in the Covid-19 pandemic era. To test the hypotheses of this study, the spearman's rank order correlation was employed with the aid of SPSS version 23.0 for windows. The Z value =  $r \sqrt{n-1}$

***H<sub>0</sub>:*** *There is no significant relationship between technology alliance and product innovation of SMEs in North Central Nigeria in the Covid-19 pandemic era.*

**Table 2: Correlation analysis of the relationship between technology strategic alliance (TSA) and product innovation (PINV) of SMEs in North Central, Nigeria in Covid-19 era**

		TSA	PINV
TSA	Pearson Correlation	1	.899**
	Sig. (2-tailed)		.000
	N	375	375
PINV	Pearson Correlation	.899**	1
	Sig. (2-tailed)	.000	
	N	375	375

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

Source: SPSS Output (2020)

**Decision:** Table 2 presents the result of the Spearman rank correlation statistics. The correlation coefficient (0.899) indicated a positive relationship between technology strategic alliance

and product innovation of SMEs in North Central, Nigeria in the Covid-19 pandemic era. However, the relationship between strategic alliance and product innovation is strong, since the p-value

(0.00) is less than 0.01 ( $r_s=0.899$ ,  $p<0.00$ ). The significance of the relationship is measured by the Z value of 17.39 and a critical value of  $\pm 1.96$ . Since the computed Z value is greater than the critical Z value, the null hypothesis is rejected. Therefore, there is significant relationship between technology strategic alliance and product innovation of SMEs in North Central Nigeria.

## DISCUSSION

The study revealed a positive and significant relationship between technology strategic alliance and product innovation of SMEs in North Central Nigeria in the Covid-19 pandemic era. The finding is consistent with the findings of Ajao, Oyebisi, Aderemi, and Jegede (2015), Olufemi, Banjo, Lucas and Quadri (2015), Supriyadi and Ratna (2014), Akpotu and Jasmine (2016), Ekawati (2014), Jabar, Soosay, Khalid, Musa and Othman (2015) that strategic technology alliance has positive relationship towards improving organizational performance in terms of market share and product innovations. This implies that technology alliances provide evidence that increasing the diversity of partners in the technology alliance portfolio has a significant positive impact on the ability of a firm to be the first one to launch new or significantly improved products onto the market. These findings support the resource dependency argument that as firms simultaneously collaborate with different types of partners they are more likely to access a wide variety of technological capabilities, which in turn improves a firm's innovation capabilities.

## CONCLUSION

Based on the findings of the study, it is worth concluding that strategic alliance indeed affects the performance of SMEs in North Central Nigeria positively. The study concluded that technology strategic alliance positively and significantly affects product innovation of SMEs in North Central Nigeria in the Covid-19 pandemic era. This implies that technology alliances provide evidence that increasing the diversity of partners in the technology alliance portfolio has a significant positive impact on the ability of a firm to be the first one to launch new or significantly improved products into the market. This corroborates the resource dependency

argument that as firms simultaneously collaborate with different types of partners they are more likely to access a wide variety of technological capabilities, which in turn improves a firm's innovation capabilities.

## RECOMMENDATIONS

Strategic alliances are an indispensable tool in today's business environment characterized by prevalence of corona virus disease, globalization and intense competition. However, based on the finding of this study, the following recommendation is suggested;

- i. SMEs should ally strategically through technology to implement a least-cost formulation strategy that optimizes the process for creating new formulas and the quality of their products.

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# Effect of Procedural Justice on Selected Tertiary Institutions in Benue State

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## ABSTRACT

*This study examined the effect of organizational justice on employee performance in selected tertiary institutions in Benue State, Nigeria. Specifically, procedural justice constituted the indices for organizational justice while task performance and conceptual performance were used as indices for employee performance. The study adopted a survey design. 435 academic staff of the three selected tertiary institutions in Benue State constituted the population of the study and a census sampling was adopted and the 435 employees made up the sample size for the study. A five scale Likert-like close-ended questionnaire was used for data collection. Regression analysis with the aid of SPSS was used to test the hypotheses. The study found that procedural justice has significant and positive effect on employee task performance but negative effect on contextual performance in the selected tertiary institutions in Benue State, Nigeria ( $t = 7.947$ ;  $P = 0.000$  and  $t = -2.920$ ;  $p = 0.004$  respectively). It is recommended that leadership of tertiary institutions in Benue State should intensify on appropriate measures and actions to ameliorate employees' perception of partiality and justice by been just and fair in terms of procedures used to arrive at decision making in the organization.*

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## **1.0 Introduction**

The need for consistency in procedure for doing anything cannot be overemphasized. The World over, people make references to procedures perceived to be correct as they are an epitome of justice. When procedures are followed for all people irrespective of whose ox gets gored, a perception of justice is instilled in people, if people on the other hand observe, see or even perceive inconsistency of procedures, they cry foul. Even in formal organizations especially bureaucratic ones where rules and regulations are the bedrock for performance, rewards and even punishments, employees watch keenly and when there is consistency, they are happy with the organization and put in their best effort to actualize its objectives in line with its vision and mission statement. In this 21st century, organizations strive to create a just environment as the human element of the organization demands for fair treatment from all stakeholders in the organization (Friday & Ugwu, 2019). Perception of unfair treatment by the human element (employees) can damage their contribution in terms of their performance towards organizational goals for it overwhelms their commitment and motivation to work hard (Chukwu, 2019).

Procedural justice describes the fairness of procedures used in the allocation process (Ali & Uriel, 2016). Procedural justice also reflects the degree of fairness in the procedures adopted to determine how individuals are treated and how respective benefits are given.

Performance is the sum of all the tangible and intangible efforts (Zehir & Yildirim, 2015). It is the result that the employee gets within a certain amount of time by doing a given task (Chaudhary, 2012). Employee performance is either task performance or contextual performance (Iksan, Sukoroto, & Haryono, 2020).

Task performance is characterized as the capacity of a worker to finish the assignment and duties given by the organization (Krishnan, Loon, Ahmad, & Yunus, 2018).

It is important to study procedural justice and employee performance in an educational setting because performance is generally viewed as a critical responsibility that employees are hired to perform in exchange for extrinsic rewards (Kozlowski & Steve, 2012). Thus, it seems reasonable to predict that public employees in an educational setting who perceive unfairness will make fewer contributions to the organization. Similarly, it can be predicted that employees who believe that their organization has fair decision-making procedures are likely to reciprocate those fair employee-organization exchange relationships with commensurable productive actions that improve organizational performance (Moon, 2017). It is from the foregoing that this study is undertaken to examine the effect of procedural justice on employee performance in College of Education Oju, College of Education Katsina-Ala and Akperan Orshi Polytechnic, Yandev, Benue State, Nigeria.

### **1.1 Statement of the Problem**

Inconsistency in the following of procedures for allocating input (allocation of tasks, assets, resources, and responsibilities), measuring outputs (performance) and giving outcomes (promotions, appointments, rewards, punishments) can create an atmosphere tense enough to limit employees contextual performance which can further rub off on their task performance.

Inconsistency in the use of procedures for all personnel can instil in workers a perception of unfairness in an organization which can lead to lower motivation which in turn may result to lower levels of commitment from staff. This may in turn lead to absenteeism from work by teachers in many schools, frequent incidences of industrial actions, staff demotivation, etc.

It is from the foregoing that examining the effect of procedural justice on employee performance in College of Education Oju, Katsina-Ala and Akperan Orshi Polytechnic Yandev, Benue State is studied.

### **1.2 Objectives of the Study**

The main objective of the study is to examine the effect of procedural justice on employee

performance in tertiary institutions in Benue State, Nigeria. The specific objectives of the study are:

- i. To assess the effect of procedural justice on task performance on selected tertiary institutions in Benue State, Nigeria.
- ii. To examine the effect of procedural justice on contextual performance on selected tertiary institutions in Benue State, Nigeria.

### 1.3 Research Questions

In order to achieve the set objectives and seek answers, the following research questions are asked:

- i. To what extent is the effect of procedural justice on task performance in selected tertiary institutions in Benue State, Nigeria?
- ii. What is the effect of procedural justice on contextual performance in selected tertiary institutions in Benue State, Nigeria?

### 1.4 Research Hypotheses

In line with the objectives of the study, the following research hypotheses are set in null form:

- H0<sub>1</sub>:** There is no significant effect of procedural justice on task performance in tertiary institutions in Benue State, Nigeria.
- H0<sub>2</sub>:** There is no significant effect of procedural justice on contextual performance in tertiary institutions in Benue State, Nigeria.

### 1.5 Definition of Operational Terms

**Procedural Justice:** refers to employees' perceptions regarding the fairness of the procedure by which outcomes are allocated, but not specifically to the outcomes themselves.

**Employee Performance:** refers to an individual output in terms of quality and quantity expected from every employee in a job.

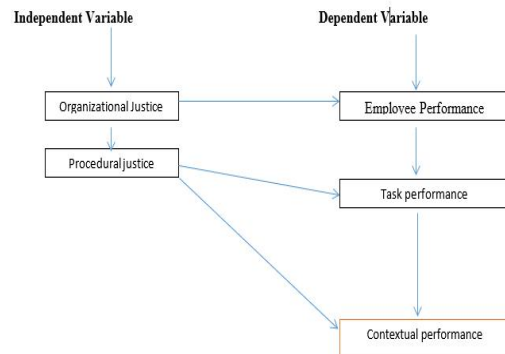
**Task performance:** refers to the proficiency with which employees perform activities that are formally recognized as part of their jobs.

**Contextual performance:** indicates interpersonal behaviours that promote the effective functioning

of the organization though not recognized by the formal reward system.

## 2.0 Conceptual Clarification

This subsection of the study treats the concepts under study. The concepts here are: procedural justice and employee performance. The representation of the concepts is shown in figure 1.



**Figure 1:** Conceptual Clarification for the Study.

### 2.1. Procedural Justice

Procedural justice refers to participants' perceptions about the fairness of the rules and procedures that regulate a process (Nabatchi, Bingham, & Good, 2007). Procedural justice acknowledges individual's awareness of equity more than institute's rules, procedures and regulations whereby such policies are made realistic (Colquitt, Greenberg & Zapata-phelan, 2005). McShane and Von Glinow (2018) affirmed that procedural justice refers to how fairness of procedures used in distribution of resources were followed or not. Others viewed it as the perception of equity with respect to whether rules and regulations were followed in the process of rewarding or punishing a worker (Choudhry, Philip and Kumar, 2011).

Colquitt and Chertkoff (2002) on their own contention stressed that procedural justice implies when firms follow equal processes like avoiding unfair distribution of wages, sharing information among employee and participating in decision making. Griffin and Moorhead (2014) contended that procedural justice is employee perceptions of fairness of the process used to ascertain various



rewards. Jones and George (2016) viewed procedural justice as workers' perception of the fairness of the procedures used in determining how rewards are distributed within the organization.

According to Leventhal, Karuza & Fry, (1980), six procedural rules should be foundational in all allocation contexts: procedures should be consistent, bias suppression, accurate, correct, representative and ethical. Consistency implies that the same procedures must be used with all people and it must be the same procedure in the same time (Tambari, 2020). Bias Suppression implies that the decision-maker's personal biases should not play a role and does not have a vested interest in the outcome or make decisions based on personal beliefs (Ohiorenoya & Eguavoen, 2019). Accuracy means the procedures must be perceived as accurate (e.g., the procedure should correctly identify the person who is most qualified for the job) and information presented by both parties must be honest and correct (Friday & Ugwu, 2019). Correctable means there should be an appeals mechanism in case mistakes are made (Ogwuche & Apeiker, 2016). By ethicality, it means the decision should be made according to prevailing ethical standards and procedures must conform to prevailing morals and ethics (Tambari, 2020). And lastly, the representativeness rule implies that all phases of the process must reflect the basic concerns, values, and outlook of important subgroups in the population of individuals affected by the process (Tafamel & Akrawah, 2019).

The implication of these procedural rules is that fair procedures should rule the allocation of outcomes in the procedural justice theory, signalling that participants understand that impartiality is a major rule that governs activity (Nabatchi, *et al.*, 2007).

## **2.2 Employee Performance**

Employee performance refers to the total expected value to the organization of the discrete behavioural episodes that an employee carries out over a standard period (Tseng and Huang, 2011). Other than that, it is also an individual's output in

terms of quality and quantity expected from every employee in a job (Motowildlo, 2003).

### **2.2.1. Task Performance**

Task performance refers to the proficiency with which employees perform activities that are formally recognized as part of their jobs; activities that contribute to the organization's technical core either directly by implementing a part of its technological process, or indirectly by providing it with needed materials or services (Borman & Motowidlo 1993). Task performance expresses duties and responsibilities of a job which makes it different from others (Şahina & Yozgat, 2016; Iksan, Sukoroto & Haryono, 2020). Task performance behaviours are roles specified and written in an employee job description required to carry out a job successfully (Ojebola, Osibanjo, Adeniji, Salau, & Falola, 2020). Task performance is characterized as the capacity of a worker to finish the assignment and duties given by the organization (Griffin, Neal and Parker, 2007). When it comes to task performance, employees must meet certain level of requirement of performance in terms of quality and quantity. Workers who neglect to carry out their task as the standard requires, may not receive appropriate rewards or face the risk of losing their employment. Task performance is likely to fluctuate depending on the capability of an individual's performance of the core task.

### **2.2.2 Contextual Performance**

Contextual performance indicates interpersonal behaviours that promote the effective functioning of the organization though not recognized by the formal reward system (Borman and Motowidlo 1993; Rotundo and Sackett, 2002; Sackett, Laczó and Arvey, 2002). Contextual performance refers to behaviours that improve organizational effectiveness through its effects on the psychological, social, and organizational aspects of the job done by employees (Motowildo & Kell, 2012; Upadhyay, 2017; Ling, Singh & Arumugam, 2020). It is not stipulated in the worker's job description but vital to achieve organisational goals (Ojebola, Osibanjo, Adeniji, Salau, & Falola, 2020; Pratiwi & Nawangsari, 2021).



## 2.3 Theoretical Framework

The theoretical context of this study is anchored on Relative Deprivation Theory (Stouffer, 1949; Merton, 1957),

### 2.3.1 Relative Deprivation Theory

Relative deprivation is a theory proposed by Stouffer in 1949 and enlarged by Merton in 1957 following an inconsistency observed in the means of its measurement (Smith & Pettigrew, 2015; Pettigrew, 2015). This theory explains the perception in an individual that he is worse off vis-à-vis some standard expectations and this is followed by a feeling of anger and dissatisfaction. This feeling of anger and dissatisfaction could show up in a work environment in the form of loss of trust for management, poor quality of work output, willingness to partake in protests and other times, resignation (Saleh, 2013). The feeling of deprivation sets in when employees desire a particular outcome, have the feeling that they deserve this outcome based on certain measurable conditions, and when other colleagues have that outcome, and it looks feasible they too should obtain that outcome. In addition, the failure to obtain the desired outcome is not their making, but as a result of policies of the organization (Aka-Wolugbom & Onuoha, 2018).

This theory is suitable in explaining the relationship between procedural justice and

employee performance as it predicts what unfair rewards/procedures of an organization can lead on the part of employees. Given that employees are the living resources that mobilize all other inhuman resources (Saleh, 2013), it is conspicuous that this theory can establish a link between procedural justice and employee performance.

## 3.0 Research Design/Population/Source of Data

The study adopts the survey research design. The survey design is deemed suitable in this study because it is not equipment intensive and the results from the survey research are easily generalized and can cover a range of variables. Also the survey design is very easy to carryout, it is flexible unlike the experimental design and it is generally economical. Furthermore, the population of the study is 435 staff of the selected tertiary institutions while data was sourced from the primary source. The primary data were collected through questionnaire administration. Information pertaining to the topic were also extracted from books, journals and periodicals and the internet. Data was collected using the questionnaire and all constructs met the Cronbach's Alpha threshold of 0.7. The data was analysed using of descriptive statistics and inferential statistics with the aid of Statistical Package for Social Sciences (SPSS 21).

**Table 3.3: Reliability Test Results**

Variable	NO. of Items	Cronbach's Alpha
1. Procedural Justice	6	0.803
2. Task Performance	5	0.778
3. Contextual Performance	5	0.812
<b>Overall Reliability</b>		<b>0.7872</b>

Source: Researcher's Computation, 2021.

## 4.0 Data presentation and Analysis

**Table 4.10: Regression Coefficient1**

Model	Unstandardized coefficient $\beta$	Std. Error	Standardized coefficient $\beta$	T	Sig
(Constant)	.376	.293		1.285	.201

1	Procedural Justice	.457	.057	.461	7.947	.000
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Source: SPSS Output, 2021.

Dependent Variable: Task Performance

From this study it was evident that 95 % confidence level, procedural justice produces statistically significant values for this study (high t-values,  $p < 0.05$ ). A positive effect is reported for all the variables under study hence affecting employee performance in a positive manner.

A look at the t values and p values from the regression coefficients table shows that procedural justice has a high contribution to variations in task performance as a result of change in organizational justice ( $t = 7.947$ ;  $P = 0.000$ ).

Table 4.13: Regression Coefficient 2

Model	Unstandardized coefficient $\beta$	Std. Error	Standardized coefficient $\beta$	T	Sig
(Constant)	.423	.547		.773	.441
1 Procedural Justice	-.411	.141	-.152	-2.920	.004

Dependent Variable: Contextual Performance

Source: SPSS Output, 2021.

From Table 4.13, it was evident that 95 % confidence level, the variables produce statistically significant values for this study (high t-values,  $p < 0.05$ ). Procedural justice has a significant effect on contextual performance however it is a negative effect ( $t = -2.920$ ;  $p = 0.004$ ).

selected tertiary institutions in Benue State, Nigeria.

## 4.2 Test of Hypotheses

The two hypotheses were tested using regression analysis at 0.05 level of significance as follows:

### 4.2.1 Test of hypothesis one

**H0<sub>1</sub>:** There is no significant effect of procedural justice on employee task performance in selected tertiary institutions in Benue State, Nigeria.

The result of regression analysis from Table 4.10 indicates that procedural justice is a significant predictor of employee task performance in tertiary institutions in Benue State, Nigeria ( $\beta = .461$ ,  $t = 7.947$ ,  $P < 0.05$ ). This suggests that there is statistical evidence to reject the null hypothesis ( $H0_1$ ).

**Decision:** Since the P-value (0.000) is less than 0.05 level of significance ( $P < 0.05$ ), the researchers reject the null hypothesis ( $H0_1$ ) and conclude that procedural justice has a significant effect on employee task performance in the

### 4.2.2 Test of hypothesis two

**H0<sub>2</sub>:** There is no significant effect of procedural justice on employee contextual performance in the selected tertiary institutions in Benue State, Nigeria.

The result of regression analysis from Table 4.13 indicates that procedural justice is a significant predictor of employee contextual performance in the selected tertiary institutions in Benue State, Nigeria ( $\beta = 0.993$ ,  $t = 19.755$ ,  $P < 0.05$ ). This suggests that there is statistical evidence to reject the null hypothesis ( $H0_2$ ).

**Decision:** Since the P-value (0.000) is less than 0.05 level of significance ( $P < 0.05$ ), the researchers reject the null hypothesis ( $H0_2$ ) and conclude that procedural justice has a significant effect though negative on employee contextual performance in the selected tertiary institutions in Benue State, Nigeria.

## 4.3 Discussion of Findings

The general finding of the study revealed from data collected that procedural justice significantly affect employee performance in the selected

tertiary institutions in Benue State, Nigeria. The specific findings of the study were presented according to the objectives of the study as follows:

#### **4.3.1 Effect of procedural justice on task performance in the selected tertiary institutions in Benue State, Nigeria**

The findings of the study indicated that procedural justice has significant effect on employee task performance in the selected tertiary institutions in Benue State, Nigeria. Regression analysis was used to test the hypothesis at 5 % level of significance and the p-value (0.000) was lower than the significance level. This can be statistically given as  $P\text{-value } 0.000 < \alpha = 0.05$ . This result supports that of Moon (2017) who found that employees who believed that their organization has fair decision-making procedures are likely to reciprocate those fair employee–organization exchange relationships with beneficial actions that improve organizational performance.

#### **4.3.2 Effect of procedural justice on contextual performance in the selected tertiary institutions in Benue State, Nigeria**

The analysis of the data collected from the respondents also revealed that there is significant effect of procedural justice on employee contextual performance in the selected tertiary institutions in Benue State, Nigeria. Regression analysis was used to test the hypothesis at 5 % level of significance and the p-value (0.004) was lower than the significance level. This can be statistically given as  $P\text{-value } 0.004 < \alpha = 0.05$ . The findings of this study agrees with Lawrence-Chuku, Eketu and Needorn (2018) that employees' perception that procedures are consistent across the employee population, and that they are ethical and appropriate, suggests to employees that the organization cares about their welfare leads to enhanced contextual performance. This finding is also in support of Suryani (2019) who concluded that a manager who acts in an unjust manner can provide negative effects on the level of employee commitment. The finding is also in agreement with Niehoff and Moorman (2003).who stated that when employees perceive the outcomes of their evaluations to be fair or perceive the process by which outcome allocation decisions are made to be fair, they will be likely to

reciprocate by performing behaviors to benefit their organization that go beyond the in-role performance of their jobs.

### **5.0 Summary, Conclusion and Recommendations**

#### **5.1 Summary of Findings**

This study examined the effect of procedural justice on employee performance in tertiary institutions in Benue State, Nigeria, and focused on three selected tertiary institutions in Benue State. The findings of the study were as follows:

The findings of the study indicated that procedural justice have significant and positive effect on employee task performance in the selected tertiary institutions in Benue State ( $t= 7.947$ ;  $P= 0.000$ ).

Also the study revealed that procedural justice have significant but negative effect on employee contextual performance in the selected tertiary institutions in Benue State ( $t= -2.920$ ;  $p= 0.004$ ).

#### **5.3 Conclusion**

The study looked at the relationship between procedural justice and employee performance. It was established that procedural justice had significant relationship with task and conceptual performance. However, procedural justice has negative effect on contextual performance. It is clear that procedural justice is an essential component and predictor of task and performance. Therefore, it is concluded that fair procedures for job decisions, with appropriate allocation of resources and fair communication of decisions will result in high employee task performance. This implies that organizations that are fair and just in its procedures will encourage employees to perform their tasks better.

#### **5.3 Recommendations**

From the findings, this study made the following recommendations:

- i.** Management of tertiary institutions in Benue State should develop and maintain proper and appropriate communication channels that will make access to information on task performance requirements less cumbersome.
- ii.** Management of tertiary institutions in Benue State should spell clearly and adhere to the procedures for promotions since failure of procedural justice is found

to have negative effect on contextual performance.

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# Workers' Attitudes towards Virtual Meetings during COVID-19 Pandemic in Nigeria

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## ABSTRACT

*The outbreak of COVID-19 pandemic globally led to imposition of lockdowns in Nigeria by the Federal Government. Organisations began to use online technologies to hold meetings and conduct their businesses. This study was done using a qualitative approach whereby secondary data were corroborated by other information sourced. This study is anchored on Attitude Change theory and technological acceptance model. Though this approach seemed successful, it is important to examine attitudes of workers towards virtual meetings and its effect on their productivity. It revealed that a significant number of Nigerian workers adapted easily to virtual meetings by their organisations, however some workers were not vicariously involved during their organizations' online meetings. It is recommended that given the veritable roles played by these technologies in the work and social lives of workers, they should be retrained in their use in their work; while proper communication infrastructure be provided for the workforce.*

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## Introduction

The outbreak of COVID-19 pandemic in January 2020 created disruptions and upheavals in different parts of the World and Nigeria also suffered the consequences. According to Obi-Ani, Anikwneze and Isiani (2020), the coronavirus (COVID-19) is an infectious disease which causes respiratory infections ranging from the common cold to more severe respiratory difficulties." It originated from the Hunan seafood market at Wuhan, China where live bats, snakes, raccoon dogs, wild animals among others were sold in December 2019.

With the discovery of the Italian citizen who tested positive in Lagos as the index case in Nigeria, the Federal Government through the Presidential Task Force on COVID-19 instituted several measures to curtail the spread of the disease. These include lockdown of non-essential activities for a period of 4 weeks; closure of schools/universities, ban of international flights, ban of public gatherings among others. The Nigerian Government announced a travel ban on 13 countries with effect from 21<sup>st</sup> March 2020, and these include: China, Italy, USA, Iran, Germany, Spain, South Korea, Japan, UK, France, the Netherlands, Switzerland and Norway. There was also the closure of land, sea and all air borders. "Some state governors have also taken proactive actions by closing their 'borders' in a bid to curtail the spread of the virus. Other measures include prohibition of mass gathering of people at churches, sports arenas and burials while schools were closed nationwide" (Obi-Ani, *et al*, 2020). Effectively, the country like other parts of the world became isolated with devastating economic impacts. The lockdowns were unprecedented in Nigeria, and took place between March 23<sup>rd</sup> and May 4<sup>th</sup> 2020 and had negative impacts on different spheres of the Nigerian Economy.

As a consequence of the COVID-19 containment measures which include social distancing, lockdown and travel ban to reduce the circuit of the pandemic, Nigeria has started leveraging on that to hold virtual meetings. Before the outbreak of COVID-19 pandemic, the idea of telecommuting or online meetings was not so popular in Nigeria. However, it is a common practice in privileged private secondary schools and universities where students use Zoom,

TeamViewer and Skype to execute assignments and even receive lectures. According to Eno-Abasi and Adeyemi (2020), "TeamViewer is a proprietary software application for remote control, desktop sharing, online meetings, web conferencing and file transfer between computers, Zoom Video Communications provides remote conferencing online meetings, chat and mobile collaboration". The popular application which specializes in providing video chat and voice calls between computers, tablets, mobile devices, the Xbox One console, and smart watches over the Internet. It provides instant messaging services and helps users to transmit text, video, audio and images. As a result, the Federal Government and some states encouraged their workers to work from home and hold virtual meetings to achieve the goals of their offices and also obey the COVID-19 protocols instituted by the Government, for instance, the Lagos State government had asked its junior and mid-level manpower to work from their homes and the held its first – ever virtual State Executive Council meeting. According to the state's Commissioner for Information and Strategy, Gbenga Omotoso, the meeting complied with the directive against gatherings as part of the anti-coronavirus battle – plan. Like what happened in Lagos state with the outbreak of COVID-19 pandemic, many public and private enterprises, have begun to work from home using virtual means.

Further to the adoption of virtual meetings by Governments at the states' and Federal levels in Nigeria, this study seeks to examine attitudes of workers towards the approach in their work lives.

## Objective of the Study

The main objective of this study is to examine attitudes of workers to virtual meetings by organisations in Nigeria. Others are to:

- a. Examine how Nigerian workers respond to virtual meetings by their organisations.
- b. Determine the influence of virtual meetings on Nigerian workers' productivity.

## Conceptual clarifications

In this section of the study we shall examine some concepts which were used therein, and these include:

**Virtual meeting:** These can be defined as meetings which take place online rather than in a physical place with all the participants present. During such online meetings, all the participants talk and see each other through the online devices which are used to host such. According to Mohammed (2020), “a virtual meeting is a meeting held in a forum other than face to face. In other words, a virtual meeting consists when people from different geographical locations leverage on a mixture of video, audio, and text to link up online. Virtual meetings afford participants the opportunity to share and exchange data and information in a real-time, devoid of physical convergence”. This type of meeting employs video-conference (VTC) platforms, such as Zoom, Microsoft’s Skype, Adobe’s Connect and Google’s Hangouts among others. Emergence of these communication technologies have impacted on the ways organisations function, especially within the critical period of the coronavirus pandemic.

As Okiyi and Eteng-Martins (2014) observed, “virtual meetings are held between individuals who physically live in far-flung parts of the world and yet, they are able to ‘meet,’ decisions are reached, policies are formed and directives passed across to workers on these” (p. 193). As a result of these technologies, people (workers) interact regularly and seamlessly within and outside of their physical boundaries. From the foregoing, it can be deduced that virtual meetings in this context goes beyond meetings carried out to take decisions and make policies or strategies. It includes the need to carry out work virtually from physical offices to the home, as a result of intervening situations such as compliance to COVID-19 protocols or geographical boundaries.

**Attitude:** This may be defined as a manner someone responds or reacts to stimuli, situations or occurrences they come in contact with. An attitude defines the personality of a person. Attitudes comprise of the mindset, worldviews, beliefs and values of individuals. Attitudes can be cognitive, emotional or behavioural. For our purposes, the behavioural attitude is pertinent. How do we respond to circumstances around us? It deals with how we react to certain things that we should take care of. According to Merriam-Webster online dictionary, an attitude is a bodily state of readiness to respond in a characteristic

way to a stimulus (such as an object, concept, or situation). To Cambridge online dictionary, an attitude is a feeling or an opinion about something or someone, or a way of behaving that is caused by this. It is how one feels about something or someone, or a particular feeling or opinion.

It is an individual’s predisposed state of mind regarding a value and it is precipitated through responsive expression towards oneself, a person, place, thing or event (the attitude object) which in turn influences the individual’s thought and action. It can be a positive or negative evaluation of people, objects, events, activities and ideas. It could also be concrete, abstract or just about anything in one’s environment.

**Organisation:** Organisations are formed to perform certain functions and achieve specific goals and objectives. It is a group of people who work together to achieve a goal. It could be an association, a business, an institution a charity or a collection of individuals who are brought together to accomplish certain tasks and achieve desired results. People who work for organisations are further aggregated according to the tasks, roles and functions they carry out to achieve the goals and objectives of the organisation. According to Priyakshi (n.d), an organisation is the backbone of management because without an efficient organisation no management can perform its functions smoothly. The organisation tries to combine various activities in a business to accomplish pre-determined goals. It is the structural framework of duties and responsibilities required of personnel in performing various functions, with a view to achieve business goals. In other words, an organisation is made up of a group of people working together for a common goal. The organisation coordinates different activities for the running of the business enterprise efficiently so that the common goal can be achieved. It is the process of identifying and grouping work/tasks to be performed, defining and delegating responsibilities and authority for the purpose of enabling people work effectively together in accomplishing objectives. The work of each and every person is defined and authority and responsibility is fixed for accomplishing the same.

**Productivity:** This concept can be defined as the output got from the combination of different

variables such as human, equipment and other resources used in an organisation. Citing the Collins dictionary, <https://www.axahealth.co.uk> define it as 'someone or something that is productive produces or does a lot for the amount of resources used.' Productivity could be defined as the amount of work (or output) that an employee produces during their shift (their input). On the other hand, <https://www.investopedia.com> defines productivity as the level of efficiency in the production process. It is usually expressed as the ratio between aggregate output and aggregate input in the production process. In the workplace, productivity refers to how much work is done over a specific period of time. Depending on the nature of business run by the organisation, productivity can be measured by things like customers acquired, phone calls made, and of course sales gained. According to <https://www.oecd.org> productivity refers to how well an organisation converts input (such as labour, materials, machines and capital) into goods and services or output. With growth in productivity, an economy is able to produce – and consume – increasingly more goods and services for the same amount of work. The concept of productivity is important to individuals (workers and consumers), business leaders, and analysts (policymakers and analysts).

For this study, productivity is pertinent, given that as a result of the coronavirus pandemic, work is done from home, and workers' productivity could be affected by their attitudes to virtual meetings and the need to work from home.

### Review of Empirical Studies

This section of this paper examined selected related empirical studies which had been carried out in this area by different scholars.

In a study carried out by Olasile and Emrah (2020), titled, *Covid-19 pandemic and online learning: the challenges and opportunities*, they observed that the pandemic has forced global physical closure of businesses, sport activities and schools by pushing all institutions to migrate to online platforms. They noted that online learning in its entirety is dependent on technological devices and internet, instructors and students with bad internet connections are liable to be denied access to online learning. They found out that socio-economic factors such as inequality affects

students digital migration to online technologies. As such, students from low socio-economic background will find it difficult to migrate to digital platforms.

In another study by Ismail, Abdelkarim and Al-Hasel (2021), titled, *Physicians attitude towards webinars and online education amid COVID-19 pandemic: When less is more*, they carried out a cross-sectional internet-based survey using a 25-item Questionnaire to seek data from social media platforms while using a snowball technique. They sought to know physicians attitude to webinars, types of meetings respondents sought to or not attend. They found out that 74.8% were strongly satisfied and satisfied with shifting scientific meetings to online formats, 62.8% strongly disagreed and disagreed that webinars should replace in-person meetings. Respondents were also dissatisfied with the frequency and overwhelming number of meetings. They experienced technical difficulties and had stress with disturbance of their work/life balance. Some challenges noted include poor communication, lack of assessment, technology-related issues, online inexperience, pandemic-related anxiety and technophobia.

In another study by de Haas, Faber and Hamersma (2020), titled, *How COVID-19 and the Dutch 'intelligent lockdown' change activities, work and travel behaviour: Evidence from longitudinal data in the Netherlands*, the scholars measured the influence of new types of activities occasioned by COVID-19 and governmental measures on people's attitudes. They observed that separate drivers of behavioural changes in people include impact of the crisis on personal situations and the fear of being affected by the virus. 90% of respondents believe that the crisis will have a long term impact on society. Most people are positive with the way they now work. 60% who work from home indicate that it is easy for them, and most of them have sufficient digital facilities and a good place to work from home. 60% have had positive experiences having remote meetings while 42% consider meetings as productive as physical meetings. For those who without access to ICT tools nor possess the necessary skills, there is social exclusion. Experiences with ICT solutions are not usually positive, as those who see digital contacts as

replacement for face-to-face contact are as large as those who do not.

Finally, in a study by Vyas and Butakhieo (2020), titled *The Impact of Working from home during COVID-19 on work and life domains: an exploratory study on Hong Kong*, they sought to know how residents of Hong Kong have been able to adapt to the different measures such as public gathering limits, suspension of schools, special work arrangements which include WFH (Work from Home) and remote working which the City had used to reduce the spread of COVID-19. They observed that some scholars had raised concern on the effect on productivity, while others acknowledged its flexibility for workers. They found out that WFH is being absorbed smoothly in Hong Kong due to the international standards of technology. Some of the advantages include reduction in commuting time, less use of limited office space, increased motivation, improved gender diversity, healthier workforce, job satisfaction and better productivity. The drawbacks include a blurred line between work and family, disruptions, social isolations and employees bearing the costs related to WFH.

### **Theoretical framework**

This study is anchored on *attitude change* theory and *technological acceptance* model, to further make predictions and explain what the work is all about. These theories shall provide insights into workers attitudes towards virtual meetings.

According to the key assumption of the functional theories which are derived from the attitude theory, the key factors for attitude change are the relationships between events and information in the environment on one hand and the individual's values pattern and motives, on the other. This relates to issues of the outbreak of COVID-19 and the need to work from home, or meet virtually by workers. The match or (mis)match of these two forces that leads either to assimilation of the incoming information (i.e. attitude change) or to reject it. According to Katz in Werder (2017), "attitudes perform four functions which include instrumental/utilitarian roles whereby rewards are maximized and penalties from the environment; ego defensive which protects one from uncomplimentary truths

about the self and; value expressive (which is the expression of pleasure derived from basic values) and knowledge function which indicates a need to understand and predict the environment". To change the attitude, there must be an inconsistency between the need being met by the attitude and the attitude itself. According to Werder (2017), "changing an attitude requires knowledge of what function an attitude performs for a person since the function that attitudes perform provides a frame of reference for comprehending and categorizing objects, persons, and events" (p. 59). As everyone is aware of the dangers associated with the pandemic, it becomes natural for workers to change their disposition towards adapting or conforming to the protocols guiding against it which include working virtually from home.

The *technological acceptance model* was developed by Fred Davis in 1986, and it has its origins from the field of Information Systems. The model is one of the foremost research models on studies of determinants of information systems and information technology acceptance to predict intention to use and acceptance of information systems and information technologies by individuals. The *technology acceptance model* attempts to explain why society or individuals accept a particular technology. The model explains acceptance from three perspectives:

- i. Perceived ease of use,
- ii. Perceived usefulness,
- iii. Attitude towards the technology.

According to Chuttur (2009), "the attitude of a user toward a system was a major determinant of whether the user will actually use or reject the system. The attitude of the user in turn, was considered to be influenced by two major beliefs; perceived usefulness and perceived ease of use, with perceived, with perceived ease of use having a direct influence on perceived usefulness. In this study, the model's significance is its determination of how well workers have been able to adapt and use different communication technologies to carry out their meetings and work during the pandemic and lockdowns that followed.

### **Research methods**

This is a qualitative study which was carried out using secondary data got from other studies, news reports and other reference materials



sourced at the time of the study. The study is a documentary one whereby contents were analysed and comparisons made to confirm and corroborate patterns of behaviours and attitudes of workers to those of Nigerians studied. Findings got on influence of virtual meetings on workers' productivity shall also be compared with responses got from workers in Nigeria. The study covered the period the COVID-19 pandemic began in March 2020 to the present.

### Data Presentation and Analysis

In the course of this study several empirical and conceptual works were examined, besides newspaper reports and other materials. Out of these few dealt specifically with the Nigerian situation. These shall be analysed and corroboration shall be done with other materials.

From these works different themes were seen and categorized from the works to ensure ease of analysis. The different themes are:

- a. Availability of online devices used for virtual meetings,
- b. Frequency of participation in virtual meetings,
- c. Familiarity with online devices for virtual meetings
- d. Attitude towards virtual meetings,
- e. Challenges faced in virtual meetings
- f. Results got from virtual meetings.

### Availability of online devices used for virtual meetings

Several of the works studied revealed that there is average availability of such online devices used for virtual meetings in Nigeria. Whereas most of these are available in urban centres in the Country, they are rarely found in rural areas. According to Anene and Idiedo (2020), there was a surge in the use of Zoom technology with the introduction of measures to reduce the spread of COVID-19 in the Country. They noted that Zoom is replacing *Facebook* and *Twitter* in the social media world. Supporting this, Njoku, Nwabueze and Chilaka (2021) noted that, "applications and soft wares such as Skype, Zoom, Whatsapp video and others were largely used in Nigeria to carry out meetings, trainings and virtual classes during the COVID-19 health crisis" (p. 183). As an interviewee observed in *the Guardian* report by Eno-Abasi and Adeyemi (2020), "to also provide

solution to the interactions required with colleagues to facilitate their work, some workers set up special Whatsapp groups through which members can also relate while doing their jobs so they can get clarifications when the need arises". This can be summed up by the findings of *Polly* when they observed that, "since March 2020, the workplace has only accelerated its digital transformation, and virtual meetings have been at the forefront ever since."

Since the outbreak of COVID-19 pandemic, the rate of virtual meetings had increased worldwide, and Nigeria is no exception. To achieve these meetings, digital forms of communication such as Zoom, Skype, TeamViewer and others are deployed by organisations for their workers to effectively reach and interact with one another to achieve goals, irrespective of where participants are located. This confirms that there is the availability of communication technologies with which workers communicate. However, these are mainly found in urban centres than in rural locations.

### Frequency of participation in virtual meetings

From works studied, most of the workers participated frequently in such virtual meetings but some were less frequent. As Anene and Idiedo (2021) found out, out of the 386 respondents reached in their study, a fewer percentage attended online meetings which indicated that while most workers attended such virtual meetings, a sizeable percentage did not frequently attend the meetings. According to an interviewee in *the Guardian*, "so, having been provisioned with my laptop, Internet subscription taken care of by my firm, I have no worries working from home. As for the fluctuating Internet services, which usually happens in some cases, I have been lucky so far with my network service provider." As such with availability of equipment and resources for virtual meetings and online duties, most Nigerian workers willingly participated in virtual meetings. Njoku, *et al* (2020) confirmed this when they noted that, "the use of video conferencing by global and national leadership continue to grow, and the rising use of technology in Nigeria became normal during the COVID-19" (p. 182). This confirmed the findings by Ismail, *et al* (2021) that majority of physicians who were studied



attended webinars organized for continuing medical education. And Polly stated that most workers had embraced virtual meetings and 93% agreed that such meetings are productive.

### **Familiarity with online devices for virtual meetings**

From the several studies carried out, most of the workers are familiar with online devices which they use for virtual meetings. But there still exists a substantial percentage who are not adept with the usage of such. From Eno-Abasi and Adeyemi (2020) interview, they discovered that some interviewees lacked computing systems which affect their participation in virtual meetings. This was also the case with the findings got by Anene and Idiedo (2021) in their study. They found out that some respondents lacked computer/Android phones and lacked skills and experience in using Zoom. This view was also supported by Njoku *et al* when they opined that due to some challenges, workers had no access to ICT tools to participate in meetings. According to them, “there is high cost of ICT infrastructure such as internet and power system facilities...this is a significant factor that has hindered the use of ICT to effectively conduct effective remote teaching and learning by schools in Nigeria during the COVID-19 lockdown” (p. 184).

Despite these challenges, majority of Nigerian workers are familiar with online devices used in virtual meetings and their applications. This is deduced from the fact that most respondents attend virtual meetings and participate actively in them. According to de Haas, *et al*, “people are now positive in the way they now work as 90% own computers”. Further, Vyas and Butakhieo (2020) observed that, “WFH in Hong Kong initiated in response to the pandemic is being absorbed smoothly owing to the international standards of technology the people enjoy.” This same may not be said for Nigeria given the digital divide seen between urban and rural areas. Yet most workers are familiar with the technologies used and applied them in their work lives during the pandemic.

### **Attitude towards virtual meetings**

From studies carried out by the different researchers, it was found out that a majority of respondents felt positive about virtual meetings,

though some were skeptical given their unfamiliarity with online applications used. According to workers interviewed by *the Guardian*, “while working from home could be relaxing and fun, yet if care is not taken it could be a tug of war to meet your daily target”. They noted that it is hard to adjust to sudden change as the body system is used to a certain way of life. To Anene and Idiedo (2021) respondents reached were nonchalant to virtual meetings as a result of their unfamiliarity with technological devices. This attitude was confirmed by Njoku, *et al* (2020) when they stated that the, “the skeptical attitudes which are as a result of ICT illiteracy among many citizens that have caused resistance to the adoption of ICT as a normal life.” In the study carried out by Ismail, *et al* (2021), they found out that while 74.8% of respondents were strongly satisfied and satisfied with shifting meetings to online format, yet 62.8% strongly disagreed and disagreed when asked if they preferred webinars to person-to-person meetings.

Most workers were also dissatisfied with the frequency of meetings held. Some felt overwhelmed by the sheer number of virtual meetings they attend in a week, unlike what obtained before the lockdown. According to Ismail, *et al* (2021) “reasons for dissatisfaction include the overwhelming number and frequency, lack of scheduling, increase screen time exposure...increased stress from attending too many or too little webinars, disturbance of work/life balance as most seminars occur during weekends or after work hours”. As Polly (2021) noted, “meeting fatigue is real. But so is a lack of personal connection. The number one challenge of virtual meetings is meeting fatigue”.

### **Challenges faced in virtual meetings**

Further to the examination of the studies, some challenges were identified. Within the Nigerian context, they are infrastructural. According to Eno-Abasi and Adeyemi (2020), “several factors have risen as challenges which impacted working from home as against face-to-face interactions in physical office settings include erratic power supply, poor Internet connectivity as well as lack of computing systems”. Several scholars found out that due to logistical issues they faced challenges with engaging in virtual meetings. According to Anene and Idiedo (2021),

“some challenges include: buying data bundles which is expensive, lack of computer/android, incessant power outage, nonchalant attitude towards technologies and network failures”. To Njoku, *et al* (2020), “cost of infrastructure and poor internet network. There is a high cost of ICT infrastructure such as internet and power system facilities”. To Ismail, *et al* (2021), “some challenges noted include poor communication, lack of assessment, technology-related issues, online inexperience, pandemic-related anxiety or stress, time management and technophobia.”

Some other challenges include the inability to distinguish the line between work time and personal hours while working from home. There is the challenge of personal connection to team mates and the struggle to retain the personal connection with team mates are other challenges faced.

### Results got from virtual meetings

Several results are got from participating in virtual meetings, or working from home by workers, which include Nigerians. The overview of most studies reveal that despite challenges virtual meetings are quite productive, and work is getting done through them. It is of note that several state governors now conduct businesses of their states through virtual meetings. As Njoku, *et al* noted, “in fact the pandemic has brought about increased awareness and interest in digitization of operations across sectors in Nigeria” (p. 183). While to Anene and Idiedo, Zoom meetings save money, free nature of workshops, eliminates travel risks, comfort of home and an opportunity for all. From the study by *de Haas, et al* (2021), people are positive in the changes in the way they now work. According to them, over 60% who work from home indicate that it is easy for them, another 60% who engage in remote meetings have had positive experiences and 42% consider remote meetings as productive as physical meetings.

To Vyas and Butakhieo (2020), “WLB (Work Life Balance) can be enhanced by working from home. E-working would improve WLB and e-workers found it possible to combine work-life and non-work life. To enhance this, they made a call for self-discipline, self-motivation, ability to work independently, tenacity, self organisation, self-confidence, time management skills and computer literacy knowledge. Finally, *Polly* (2021)

stated that virtual meetings are valuable, and are getting more productive. Most workers have embraced virtual meetings. According to them, 93% of respondents say that virtual meetings are a good use of time, while 3 out of 4 respondents agree that virtual meetings are getting productive.

From these observations we can draw the conclusion that positive results are derived from virtual meetings as a consequence of several factors which include environmental and personal ones.

### Discussions

From the analysis done on the different studies done, attempts shall be made to explain the objectives raised earlier. The study aimed to examine the responses of Nigerian workers to virtual meetings by their organisations or institutions. It was discovered that as a result of the coronavirus pandemic, workers responses to virtual meetings were positive as much as it is ongoing. This response is determined by availability of computing and other communication technologies necessary for such meetings and to enhance their work activities. However, though a lot of workers respond positively yet a proportion do not participate and are skeptical of them because of certain infrastructural challenges which are faced by them. It was also discovered that Nigerian workers had change in their attitudes and confirmed the attitude change theory which comes as a result of an interface between events and information found in the environment. In this case, the COVID-19 pandemic led to change in attitude towards virtual meetings.

To the second objective which sought to know the influence of virtual meetings on the productivity levels of Nigerian workers, it was found out that despite challenges faced, virtual meetings are productive among such workers. Through virtual meetings, organizational objectives are achieved. This is inferred by increase in digitization and opinions of workers reached by the different researchers. Most of them were positive about results got through virtual meetings. This also confirms the thesis got from the technological acceptance model which explained that societies accept a particular technology as a result of perceived ease of use, perceived usefulness and attitudes towards the

technology. Different communication technologies used for virtual meetings have been accepted by Nigerian workers despite difficulties which may be experienced by some in application of these.

### Conclusion/Recommendations

From the study it can be concluded that the COVID-19 pandemic has changed the work paradigm worldwide, and Nigeria is no exception. Indeed, the pandemic has further increased the use of communication technologies, especially the Zoom technology for communication between individuals who are not within the same physical setting, and such is suitable for the different measures and protocols put in place by governments of most countries, as it is the case with Nigeria.

Further, though these communication technologies exist and are popular in the country, yet there is a seeming digital divide which affected their penetration to diverse parts of the country. Also, as a consequence of poor infrastructural development, there is skepticism in these technologies usage by some Nigerian workers. Finally, with growth and availability, Nigerian workers' attitudes towards virtual meetings will improve more than is being experienced presently. From these conclusions we hereby make the following recommendations:

- i. Bearing in mind the need to maintain the protocols guiding against the spread of COVID-19, we recommend that a more enduring ICT infrastructure which will be beneficial to workers, be put in place by the Federal and states' governments, and also heads of organisations.
- ii. We further recommend an increase in capacity building for all categories of workers in Nigeria, to ensure that they are compliant in the use of ICT to enhance their work activities.
- iii. Finally, we recommend that more communication campaigns on the importance of ICTs be carried out by governments and major stakeholders in the industry to generate more interest in the use of such ICTs by Nigerian workers.

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# Effect of Change Management on Organizational Performance in The Nigerian Telecommunications Industry

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## ABSTRACT

*The study investigated the effect of change management on organizational performance in Nigerian telecommunications industry. The data was collected from 90 respondents of the three leading firms of MTN Nigeria, Globacom Limited and Airtel Nigeria Limited from the industry which were categorized into top, middle and lower levels management as well as the non-managerial employees. The study adopted a survey research design and data was collected using self-administered closed ended questionnaire using a five-point likert rating scale. The analysis of data was done using SPSS Version 23.0 The study findings show that all the change management approaches (technological, redesigned, task-based and people oriented) have significant effect on organizational performance. The research is important in that it adopts a model that has brought out the various approaches adopted in the management of change by organizations. Based on the findings of the study, it is recommended amongst others that management of firms in the study industry should ensure an effective and efficient management of organizational change through the adoption of appropriate and accurate technological approaches to enhance performance.*

***Key Words: Change Management, Organizational Performance, Telecommunications Industry***

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## **1.0 Introduction**

Change is unavoidable and necessary in organizations that wish to prosper and managers over the world are adjusting to the changing market conditions and at the same time facing the need for generating a proactive rather than a responsive managerial system to cope with an increasingly complex, volatile, uncertain, and ambiguous environments, (Daniel, 2019).

Osisoma (2013) argued that change is the single most important element of successful business management today and as such, it is a fact of life that organization's managers should anticipate change in order to remain competitive in ever increasingly aggressive markets and adopt a positive attitude to it since this is inevitable in the history of any organization. Ignoring or trivializing a changing trend can be costly, thus managing changes teaches how to be ahead of rivals and it ensures the long-term survival of the organizations.

Most service industries including Telecommunications industry spend much of their time in planning processes of change, but do not see the benefits of planning flowing through to the operational level as quickly as they anticipate. Management of change in the Telecommunications industry has been seen as a serious business problem for many years. In this regard, Teczke, Bespayeve and Bugubayeva (2017) emphatically advanced a number of change management approaches or specific processes and tools that allow organizations to manage change effectively. These include technological approaches, redesign approaches, people-oriented approaches and task-based approaches.

The Nigerian telecommunications industry is fast growing and this is continuously necessitating dynamic changes in organizational activities relating customer handling and product portfolio which are the pillar of any organization's survival. The telecommunication industry is an integral segment of the service sector and is very fundamental to serious economic development of any nation. Therefore, for the companies in the industry to remain competitive and gain optimal organizational performance, they must be flexible to quickly react and adapt to both internal and

external environmental changes especially those that relate to technology even though there are other changes such as socio-cultural changes, political changes legal changes amongst others. This is so because the industry is more technological driven.

Firms in the telecommunication industry are continually on each other's toes trying to outwit others by devising new strategies which change and at the same time minimize the cost of managing change. Many of the firms in the telecommunications industry like Visafome, Multilinks, and Itel amongst others have gone under the drain, while others like 9mobile have come on board. Econet now 9mobile has had cause to change its management and identity at most four times; this is not unconnected with the increasing volatility (risks, uncertainty amongst others associated with changes) in the business environment.

These situations have had series of effect on the performance of firms in the telecommunications industry in terms of profitability, customer satisfaction, market share and efficiency, amongst others. This poor survival rate of firms in the industry as a result of their inability to manage change has left many questions unanswered by researchers. This indicates that there is a serious relationship between how change is managed and the organizational performance which may be inform of profitability, customer satisfaction, market share and efficiency. (Staff, 2017)

As a result of the foregoing, this study is therefore carried out to determine the extent of effect change management on organizational performance with particular reference to Telecommunication Industry with a narrow focus to the three leading firms in the industry-MTN Nigeria, Globacom limited and Airtel Nigeria limited in Makurdi Metropolis, Benue state. The choice of telecommunications industry is informed by its critical role in the globalization process and information dissemination which are seen as the bedrock for development..

### **1.1 Research Objectives**

The broad objective of this study is to examine the effect of change management on organizational performance in the telecommunications industry.



In line with the main or broad objective, the specific objectives are;

1. To examine the effect of technological approach of change management on organizational performance in the telecommunications industry.
2. To determine the effect of redesigned approach of change management on organizational performance in the telecommunications industry.
3. To examine the effect of task-based approach of change management on organizational performance in the telecommunications industry.
4. To identify the effect of people-oriented approach of change management on organizational performance in the telecommunications industry.

**2.0 LITERATURE REVIEW**

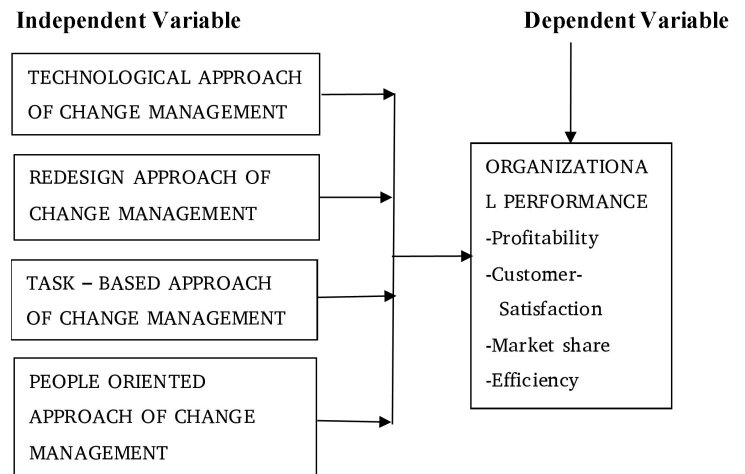
**2.1.1 Conceptual Framework**

The conceptual framework for the study comprised of two basic variables –independent and dependent variables. The independent variable is change management while the dependent variable is organizational performance. So many researchers have used different dimensions of change management in their various studies. For instance, Osege and Anyieni (2018) in his study on change management and organizational performance of Kenya agricultural and livestock research organization considered the following change management; financial reform change, regulatory reform change, administrative reform change, devolution reform change. Oboreh et al (2019) in a study on change management and organizational performance in selected companies in Anambra state, Nigeria, used change management dimensions such as technological changes, change management strategies, and leadership change to determine their effect on the performance of the companies in manufacturing companies in Anambra state, Nigeria. Kilatso (2014) in his quest to determine change management effect on organizational performance with a reference to Tanzania Portland Cement Company, employed change management variables such as change, change management strategies such as corporate restructuring, reengineering downsizing and outsourcing, and change implementation which were regressed

against organizational performance. Kurgat (2019) in his studies ‘effect of change management on organizational performance of Media Companies in Kenya’ adopted organizational structure, technological changes, organizational leadership and organizational culture as change management dimensions.

Taking the views of these researchers and the gap created by the empirical review studies into cognizance, the researcher has therefore adopted more embracing change management dimensions which focus on the various approaches of change management – technological approach, redesigned approach, task-based approach and people-oriented approach. The diagram below depicts the conceptual framework for the research and illustrates how dependent variables rely on independent variables. The conceptual framework indicates how well the performance of organization is in respect to change management.

**Figure 2.1:** Conceptual Frameworks of Change Management and Organizational Performance



Source: Developed by the Researcher (2021)

**2.1.2 Change Management**

Source: Developed by the Researcher (2021)

**2.1.2 Change Management**

Change management encompasses all activities aimed at helping an organization successfully

accept and adopt new technologies and new ways to serve its customers, (Voehl & Harrington, 2016). Effective change management enables the transformation of strategy, processes, technology, and people to enhance performance and ensure continuous improvement in an ever-changing environment. This goes to show that a comprehensive and structured approach to change management is critical to the success of any project that will bring about significant change.

Anyieni, Bcom, and Campus (2013) further argue that change management means to plan, initiate, realize, control and stabilize change processes on both corporate and personal levels.

From the above, it goes to show that Change management incorporates processes and tools that manage employee needs and requirements during each change at an organizational level. When combined with an understanding of individual change management best practice processes, it can provide a structured approaches to effectively transition groups or organizations through change.

### **2.1.3 Approaches of Change Management in Organizations.**

In managing organizational change, these forms of approaches can be considered.

#### **(a) Technological Approach: -**

Technology changes are so rapidly that even a company with revolutionary new products cannot keep it for long. As soon as a product hits the market, someone copies it. Coping with competition often requires information flexibility. Computer-Integrated Manufacturing (CIM) and Computer- Integrated Banking (CIB) are other types of technology that can facilitate organizational change. Other technological techniques to cope changes include extranets, and intranets, decision support group (DSS), group decision support systems (GDSS), and expert systems amongst other

#### **(b) Redesign Approach: -**

Sometimes, the need for redesign follows directly from implementing new technologies or to improve customer satisfaction. Redesign approach can take the forms of reengineering, corporate restructuring, Total Quality Management (TQM).

#### **(1) Business Process Reengineering (BPR):-**

The Business Process Reengineering (BPR) is a tool to make a business process efficient in time and cost (Hussein et al., 2014; Essam & Mansar, 2012). It is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, and speed, (Bhaskar, 2018). Bhaskar (2018) also defines BPR as the term used to express the process of optimizing organizational processes and structures for best possible end result. It is a tool to make a business process efficient in time and cost (Hussein et al., 2014). Business process reengineering can be applied to the whole organization, part of the organization or to a single unit within the organization.

Salem (2012) considers BPR as the redesign of business processes and the associated systems and organizational structure to achieve a dramatic improvement in business performance. The business reasons for making such changes could include poor financial performance, external competition, and erosion of market share, emerging market opportunities, global competition or some other pressing business issues.

Redesign business process is only one aspect of the process management. At least three kinds of process management can be identified: management of outgoing processes; management of improved business processes; management of reengineering business processes (both internal and external) (Bhaskar, 2018) It is the examination of the following five major components of the business – strategy, process, technology, organization and culture

#### **(2) Corporate Restructuring**

Corporate restructuring is the process of significantly changing a company's business model, management team or financial structure to address challenges and increase shareholders value, (ICSI, 2014). Restructuring may involve major layoffs or bankruptcy, though restructuring is usually designed to minimize the impact on employees, if possible. It may be the company's sale or a merger with another company. Companies use restructuring as a business strategy

to ensure their viability. Shareholders or creditors might force a restructuring if they observe the company's current business strategies as insufficient to prevent a loss on their investments.

The scope of Corporate Restructuring encompasses enhancing economy (cost reduction) and improving efficiency (profitability). Reducing the cost of capital translates into profits. Availability of funds allows the enterprise to grow in all levels and thereby become more and more competitive. According to ICSI (2014) corporate restructuring strategies may include; Merger, Demerger, Reverse Merger, Disinvestment, Takeovers, Joint venture, Strategic alliance, Franchising etc. Fundamental changes will have to be effected in companies' structures, technology, culture and values (Hamel, 1994).

Gituma and Gachunga (2016) observed that 9mobile, a telecommunication firm after loss of market share as second firm in the industry to Globacom had to restructure to turn around this situation. The company embarked on governance structure adjustment, strategic orientation and organizational configuration amongst others to enhance its competitive advantage in the industry.

### **(3) Total Quality Management (TQM) Tools.**

Merih (2016) defines TQM as a set of management practices throughout the organization geared to ensure the organization consistently meets or exceed customer requirement. According to him, meeting the customers' requirements means that the company is offering a quality product which is the foundation of successful business operations. Companies' consistently offering quality products often have a loyal customer base that keeps purchasing from the same supplier while offering the products/services to their peers helping the company and new customers to its base.

Rizesce and Tileaga (2016) in their research defined TQM as a systematic attempt to achieve continuous improvement of the quality of the products and/or services of the organization. Among the typical characteristics of TQM include the focus on customer satisfaction, the concern for good relations with suppliers, continuous improvement of work processes, prevent errors,

quality metric and evaluation, extensive training and the involvement of employees. Sev (2011) in his research identifies the following as tools/ techniques of TQM that enhance quality change in organizations. They are (a) Benchmarking (b) Outsourcing (Subcontracting)s.

### **(c) People-Oriented Approach: -**

Ezigbo (2006) asserts that, people-oriented approach attempts to create organizational change by focusing on changing employees' perceptions, attitudes, competencies, and expectations. As these factors change, employees may then seek changes in organizations technology, design or tasks. According to this view, employees are the captains of change, not just the vessels for carrying it out, people-oriented change can involve individuals, groups or the entire organization.

One of the reasons, why some organizations have problems with adaptation, management and implementation of rapid changes is, that many people in these organizations feel relatively helpless. One of the important change management factors is participation. It is found, that already participation of organizational members on the planning of organizational change increases their support for that change. The first of the "golden rules" of successful organizational change is active participation of employees on the implementation of changes, participation on decisions regarding the change and sufficient information about reasons for the upcoming change.

Many people-oriented approaches are commonly grouped under a broad label of Organizational Development (OD).

According to Mackenzie and Gordon (2016) Organizational development (OD) is essentially defined as a deliberately planned, organization-wide effort to increase an organisation's effectiveness and/or to enable an organization to achieve its strategic goals. The concept formally emerged in the 1950s (though some theories date back to 1920) and is generally credited to psychologist Kurt Lewin. It encompasses both the theory and practice of planned, systemic change in the attitudes, beliefs and behaviour of employees

through long-term training programmes. It is often described as action-oriented.

Bossuyt, Shaxson and Datta (2014) submit that organizational Development (OD) can be considered as an approach to the introduction of planned change, concentration on the process of change rather than the content. It involves a number of behavioural science techniques, which are designed to build a more effective organization. The concept aims to help the organization gain an insight into its own processes.

**(d) Task-Based Approach: -**

Where a job is changed, whether because of new technology or a redesign effort, tasks also change. Two dramatically different ways of changing a task are job enriching and job enlargement ( **Sev, 2011**).

**Job Enrichment:** This involves the changing of specification to broaden and add challenge to the tasks required in order to increase productivity. Ozigbo and Daniel (2020) see job enrichment as a way to motivate workers by giving them opportunity to use a range of their abilities; this is done by giving them more responsibilities and varieties in their job. According to them, the main aim of job enrichment is to make the job more interesting, meaningful, challenging, and responsible and to accommodate the emerging changes.

**Job Enlargement:** This is the process of combining various operations at a similar level into one job to provide more variety for workers and thus increase their motivation and satisfaction and increase in job scope. Msofe (2018) describes job enlargement as a horizontal job loading which is an act of assigning employees additional duties within their work spectrum and increasing activities done. This can be an effective approach in managing changes introduced in organizations and even those ones that are unintentional to organizations. The formulation of effective job enlargement involves considering two reasons; personal satisfaction of employees and optimal use of resources to accommodate whatever changes confronting the organization.

## **2.2 Organizational Performance**

Novak (2017) defined organizational performance simply as company performance compared to goals and objectives. He further stressed that measuring organizational performance was in the past limited more or less on financial measures in the form of revenue, profit, net operating income, ROA (Return on Assets), ROE (Return on Equity), ROS (Return on Sales) and mostly revenue and profit related measures. However, non-financial performance key indicators KPIs such as market share, innovation rate, or customer satisfaction are also very important. Although very practical and useful, traditional financial measures cannot create advantages for the organization in an intense competitive environment. New organizational concepts demanded additional measurement information in order for managers to make proper decisions and for shareholders to properly evaluate company performance. (Muhoho & Oloko, 2016) confirmed that within the corporate sphere, organizational performance is measured through analysis of three outcomes: financial performance, market performance and shareholder value performance. Performance can also be evaluated with qualitative criteria such as job satisfaction, organizational commitment, perception of justice and quantitative criteria such as profitability, investment return ratio, and sales growth.

Wachira and Anyieni (2015) consider organizational performance as an accumulated result of all the activities in an organization. It is the extent to which the broad organizational goals are met and is viewed as either qualitative or quantitative. They further noted that performance in an organization is attributed more to team and individual performance and therefore the need for effective management of Human Resource through proper utilization and motivation. Job satisfaction is viewed as a key indicator of organizational performance since a satisfied worker contributes to the productivity and effectiveness of an organization.

However, Staff (2017) asserts that to effectively evaluate a telecommunications company, one has to look at metrics or key performance indicators KPIs that affect the industry specifically. In view



of this, four key performance indicators KPIs have been identified- profitability, customer satisfaction, market share, and efficiency and these form the bases for this study.

### **Profitability**

This is the firm's ability to generate revenue over and above expenses and is usually measured using ratios like gross profit margin, net profit margin amongst others. This metric is important in the telecommunications industry, as it illustrates the company's operational performance. The ability to maximize profits and minimize costs associated with servicing each end user is key to these companies. The higher these ratios, the better it is as it means the company is performing well

### **Customer Satisfaction**

Customer satisfaction should be the main focus of an organization because customers drive business. It is the measurement of how happy (or unhappy) customers are with a company's products, services or experience and consists of a customer's perceived quality, value and expectations of a company and what it offers. This metric measure the number of subscribers who leave (rate of churn) and is often reported quarterly. Obviously, a low churn rate is ideal. A high level of churn often means that your product or service is too expensive or is not living up to customer expectations (Staff, 2017).

### **Market Share**

Market share is the percentage of an industry or a market's total sales that is earned by a particular company over a specified time period A steady subscriber growth rate indicates a competitive telecommunications company that is keeping up with technology trends, thereby keeping customers happy and attracting new customer

### **Efficiency**

Efficiency signifies a peak level of performance that uses the least amount of inputs to achieve the highest amount of output. It is a measurable concept that can be determined using the ratio of useful output to total input. A telecommunications

company's network is its most important hard asset. It's absolutely necessary for telecommunications companies to keep tabs on network operating cost. If costs are running too high in proportion to return per user, something will need to be changed in order to maintain a healthy business.

## **2.3 Theoretical Framework**

Several theories have been advanced to explain the change management-organizational performance relationship. Cheworei (2017) identified important ones to be systems and dynamic capability theories. However, like other theories, the system theory has been criticized as having limitations. Critics of the theory argue that the open system only talks about the happenings in the external environment that affect an open system which is likened to a change environment, that the change environment of an organization is also influenced by internal factors such as changes in employee's expectation, changes in leadership amongst others which according to the system theory do not affect a closed system which is self-sustained.

### **2.3.1 Dynamic Capability Theory**

Dynamic capability theory emerged from Hamel's working paper of 1989 "multinational strategy research leading to core competencies of the company" (Cheworie, 2017). This theory emphasizes the firm's ability to frame and reconfigure internal and external capacities to address rapidly developing and changing situations. The firm's dynamic capabilities are directed towards addressing internal organizational deficiencies and strategic change and aligning the organization with the environment. These can be disaggregated into a firm's capacities to sense and shape opportunities, seize opportunities, and redeploy and reconfigure (create, extend and modify) their resource base (Gudergan, Wilden, Nielson & Lings, 2013).

Dynamic capabilities positively influence firm's performance in multiple way; they match the resource base with changing environments, create market change, support both the resource-picking and capability rent-generating mechanism, and

improve inter-firm performance (Gudergan et al., 2013). The change management process of an organization is likened to dynamic capabilities of an organization that is affected by so many internal and external factors such as change management approaches and practices. Keeping tabs on this would improve the effectiveness, speed and efficiency of organizational responses to environmental turbulence and changes (Chimielewski & Paladino, 2009).

## 2.4 Empirical Reviews

### 2.5 Table 2

This study is therefore anchored on dynamic capability theory as it is relevant in the study of change management and organizational performance relationship. Its relevance is hinged on the fact that it emphasizes both the internal and external influences which are taken care by the firms internal and external capability as this is most likened to the change management process of the organization.

Author/Year	Topic	Variables	Method of Analysis	Findings/Recommendations	Research Gap
Onugha & Onuoha (2019)	Relationship between change management and organizational performance	Change management and organizational performance	Pearson movement correlation	There is positive and significant relationship between change and performance	The use of only one Change management dimension
Daniel (2019)	Effect of change management on the performance of firms in Nigeria.	Change management and performance	Content Analysis	That change is inevitable in organization and it affects firms' performance	The choice of content analysis was not justified. Again there was no scope of the study.
Okeke, Oboreh, Nebolisa, Esion & Ojukwu (2019).	Change management and organizational performance in manufacturing companies in Anambra State, Nigeria	Change management and organizational performance	. Content Analysis	Technological changes have a positive significant effect on organizational performance in manufacturing companies.	No data analysis
Kurgat (2019)	Change management and organizational performance of media companies in Kenya.	Change management and organizational performance	Regression Analysis	All variables of change management have substantial influence on the performance of Kenyan media firms.	No criteria for sample size determination and technique.
Osege & Anyiemi (2018)	Change management and organizational performance of Kenya Agricultural and Livestock Research Organization	Change management and organizational performance	Pearson correlation analysis and regression analysis.	The study showed strong positive as well as weak positive relationship between the different variables of change management and organizational performance.	Again no basis for sample size determination.
Choy (2017)	The impact of	Change	Not stated	Change variables	No specific



	change management on organizational performance: Empirical evidence from Oil and Gas Firm.	management and organizational performance.		have correlation with organizational performance.	mentioned population, sample size as well as tool of analysis.
Ndahiro, Shukla and Oduor (2015).	The effect of change management on the performance of government institutions in Rwanda.	Change management and organizational performance	Percentage s	Change affects organizational performance	No clear cut on how data was analyzed.
Thomas (2014)	Change management effect on organizational performance of Telecoms industries: An empirical insight from Airtel Nigeia.	Change management and organizational performance.	ANOVA	That change enhances organizational performance	No basis for sample size adoption and the use of ANOVA is not justifiable.

### 3.0 Methodology

The study adopted a survey research design and to be precise a cross sectional survey design. Survey research design is a research design used to obtain information concerning the current status of the phenomenon and to describe “what exists” with respect to variables or conditions in a situation (McCombes, 2019). A cross sectional study examines current status of issues and behaviours. The target population for the study was made up all management staff (top, middle and lower) and non-managerial employees of the three leading companies in the industry under study -MTN Nigeria, Globacom Limited and Airtel Nigeria Limited all in Makurdi Metropolis. The population of the three firms are 44, 27, and 31 respectively making it a total of 102. The entire population was used as sample size for the study because of its small size nature.

The study was carried out with the use of five-point likert type questionnaire. The reason for choosing questionnaire was primarily due to its practicability, applicability to the research problem. Respondents were expected to indicate by ticking the extent to which they agreed or

disagreed to statements that were simply stated. These responses were measured by means of a five-category rating system as follows; **SA-5** (Strongly Agree), **A-4** (Agree), **D-3**(Disagree), **SD-2** (Strongly Disagree), **U-1** (Undecided). Altogether, there were 31 items in the questionnaire and a total of 102 questionnaires were issued and only 90 were retrieved. Secondary data were also used for this study, including from textbooks, journals materials, and the firms’ offices in Makurdi

### 3.1 Reliability of the Measuring Instruments

The Cronbach’s Alpha was chosen for evaluating the reliability of this study because it is viewed as the most appropriate measure of reliability when making use of Likert scale (Robinson, 2009). The researcher adopted a minimum internal consistency coefficient of 0.70 as opined by (Robinson, 2009). Taherdoost (2016) has suggested four cut-off points for reliability, which include excellent reliability (0.90 & above), high reliability (0.70-0.90), moderate reliability (0.50-0.70), and low reliability (0.50 and below).

**Table 3.1. Reliability Analysis of Variables (Cronbach Alpha)**

Variables	Items	Cronbach Alpha
Technological approach of change management	4	0.77
Redesign approach of change management	3	0.74
Task-based approach of change management	4	0.71
People oriented approach of change management	3	0.78
Organizational performance	4	0.75
The tool as whole	29	0.71

Source: SPSS Result Output (2021)

Table 3.1 above shows that reliability coefficient in one (Cronbach Alpha) for the study ranged between (0.71-0.78) which is high and acceptable values for the purpose of the application as most studies have indicated that the rate of acceptance of reliability coefficient is (0.70) (Samak,2017).

**4.0 Analysis and Results**

Table 4.1 Model Summary

Model	R	R-Square	Adjusted R-Square	Std. Error of the Estimation
4	.773	.597	.578	.919

a. Predictors: (Constant), Technological Approach, Redesigned Approach, Task-Based Approach and People Oriented Approach

b. Dependent Variable: Organizational Performance

Source: Statistical Results Output (2021)

From the regression analysis above, the value of R square is .597 which is the explained variance in the dependent variable organizational performance The coefficient of determination (R<sup>2</sup>) shows that 59.7% of the variation or change in the dependent variable is caused by variation in the independent variables while the remaining 40.3% unexplained variation is due to other variables outside the regression model.

Table 4.2 Coefficients

Variables	Un-standardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
<b>Intercept</b>	1.239	.263		1.210	.365
Technological Approach	.512	.720	.413	1.098	.039
Redesigned Approach	.079	.153	.077	.918	.005
Task-based Approach	.907	.733	.852	1.238	.019
People Oriented Approach	.377	.130	.379	.891	.005

a. Dependent Variable: Organizational Performance

Source: Statistical Results Output (2021)

Tables 4.2 gives an estimate for these *b-values*, and these values indicate the individual contribution of each predictor to the model. By letting *b*<sub>0</sub> represent intercept and *b*<sub>1</sub> represent the regression coefficients for the four predictors, the predicted model is:

$$Y_1 = 1.239 + 0.512(X_1) + 0.079(X_2) + 0.907(X_3) + 0.377(X_4) \dots\dots\dots (4.1)$$

From the estimated model above, the coefficient of  $X_1$  (technological approach) implies that a unit increase in technological approach will lead to 0.512 increase in profitability, 0.862 increase in customer satisfaction, 0.386 increase in market share and 0.202 increase in efficiency of the telecommunication industry in Nigeria provided that the individual industry has the same degree of change management.

**Table-4.2** shows that task-based approach is the most important factors that influences organizational performance having a standardized beta coefficient of .852 ( $t= 1.238$ ,  $p=.019$ )

Technological approach emerged as the second important factors having a standardized beta coefficient of .413 ( $t= 1.098$ ,  $p=.039$ ). Thirdly, people-oriented approach figures as significant factor having a standardized beta coefficient of .379 ( $t= .891$   $p= 0.005$ ). Redesigned approach having a standardized beta coefficient of .077 ( $t=.918$ ,  $p= .005$ ) came fourth.

## **5.0 Discussion of Findings**

The purpose of the study is to determine the extent of effect of change management (technological, redesigned, task-based and people-oriented approaches) on organizational performance.

The first hypothesis established that technological approach of change management has the second most significant effect on organizational performance in Nigerian telecommunication industry. The findings are attributed to the high degree of exposure of firms in Nigerian telecommunication industry to changes which affect organizational profitability. The implication of this finding is that firms in Nigerian telecommunication industry experience significant impact on their performance as a result of change management. The null hypothesis is therefore rejected.

The second hypothesis established that redesigned approach of change management has the least significant effect on organizational performance in Nigerian telecommunication industry. this is attributed to the fact most firms in the industry see redesigned options such as restructuring and

reengineering as very expensive and do not key into them. This is in line with findings of Muia (2016). The null hypothesis is also rejected.

In the third hypothesis, it was established that task- based approach of change management has the highest significant effect on organizational performance in Nigerian telecommunications industry. This is feasible as a result of high degree of changes in the firms' tasks as a result organizational change. This is in conformity with findings of Mutunga and Mbugua (2018). The null hypothesis is therefore rejected.

The fourth and last hypothesis test in the same way found that people-oriented approach of change management has significant effect on performance in Nigerian telecommunication industry. These findings are in line with that of Wachira and Anyieni (2015) who found that change management affects organizational performance significantly.

## **6.0 Conclusion**

The study concludes that all the four dimensions of the independent variable (change management) – technological, redesigned, task-based and people-oriented approaches have significant effect on the dependent variable (organizational performance)

## **7.0 Managerial Implications**

(i) There should be appropriate and proper approaches relating to individual tasks and jobs aimed at management and implementation of change in Nigerian telecommunications industry for the desired performance

(ii) Management of firms in the study industry should ensure an effective and efficient management of organizational change through the adoption of appropriate and accurate technological approaches to enhance performance.

## **8.0 Contribution to Knowledge**

Any good research work should be able add to the existing knowledge concerning the subject matter and this research work is not an exception. This work avail the following contribution to knowledge;

(i) Job enrichment and enlargement have been identified as an emerging approach to the management of change in organizations

(ii) The model for the study on change management has exposed the various approaches of change management thereby contributing to knowledge on the subject matter. It is pertinent to stress that a particular change management approach should be applied based on the prevailing conditions/challenges of the organization and the goals to be achieved.

### c. Suggestions for Further Research

Owing to the limitations of the study, there is a need to carry out similar studies in other countries to assist in comparison of the findings. A further study is also recommended to be carried out with the use of more entities and a larger sample size in order to enhance the generalization of the findings.

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# Effect of Organizational Commitment on The Performance of Deposit Money Banks in Benue State

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## ABSTRACT

*This research study adopted descriptive survey method where primary data was collated using self-administered questionnaire of five likert scale from 1 strongly disagreed to 5 strongly agreed. Because it was self-administered questionnaires, this was cost-effective since we did not hire surveyors to perform face-to-face data, and massive amounts of information were gathered from a large number of people in a relatively short period of time. The population for the study consists of all employees from four deposit money banks selected for this study with branches in Makurdi Metropolis. These banks include: United Bank for Africa Plc with three (3) branches and has 111 employees and First Bank of Nigeria Plc with four (4) branches and had 139 employees. The sample size of 154 was determined with the aid of Taro Yamane's formula at the 0.05 level of significance from a population of 250 employees. The study revealed that all the three dimensions of organizational commitment had significant effect of both task and contextual performance of deposit money banks; except **continuance** commitment that revealed insignificant effect on task performance. It was recommended that deposit money banks management may provide very conducive work environment that will recognize the work efforts members of organization in order to make them contribute positively to the attainment of the banks objectives.*

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## **1 INTRODUCTION**

Commitment refers to the act of obligating oneself to a course of action either mentally, emotionally or intellectually and dedication to any other people or organization. A person's work commitments are basically compulsory duties that organization must do for their employee. It usually evokes a strong sense of intention and focus. Organizational commitment to some larger extent determines employee performance. Therefore, organizational commitment refers to the organization member's physical and psychological attachment towards its goal. It plays a prominent role in determining whether a member stays with and work with zeal towards that organization's goals (Nwoji, & Sorbariko, 2020). There are certain evidences that organizational commitment has a subsequent effect on employees' attitudes towards work.

Scholars have found positive relationships between organizational commitment dimensions and employees' performance in organizations (Irefin & Mechanic, 2014; Mojtaba, Mohammad & Navid 2014, Oyeniya, Adeyemi & Olaoye 2017). That is, employees tend to perform better based on their sense of obligation and loyalty towards their organizations. Therefore, the lack of commitment from employees in the organization increases their intent or act to leave and reduce the overall organizational performance. This can be reflected in the lack of commitment from employees in the Nigerian banks industry due to intention to leave the organization, implying a high turnover rate in the industry. Employee's turnover intention may likely affects employees performance since they are always replaced periodically within the organization.

Currently in Nigeria, workplace is wrapped by fear of downsizing because of job insecurity as a result of vast changes in technology, and the stress of having to do extra with less established variety of caring, feisty workplace that will ignite worker commitment. Based on this backdrop, it seems pertinent to discern and grasp more about the organizational commitment. Affording to Mowday, Porter, and Steers (1982) a strong desire

to remain as an affiliate of a particular business establishment, a readiness to exert high-levels of effort on behalf of the organization, and a distinct belief in, and acceptance of the values and goals of the firm means organizational commitment." It is necessary to note that the level of organizational commitment will affects employee's commitment and inversely affects employee performance, customer service quality, the employees' productivity, and their effectiveness, as well as the organization's overall performance (Ahmed, 2021).

Previously studies to some large extend focus on employee commitment and performance of manufacturing industry. And researchers have become more and more interested in organizational commitment, which emphasizes the relationship quality between employers and employees. To our knowledge, employers are the key characters in the organization that their commitment may determine the commitment of the latter. They play important role in influencing the attitudes and behaviors of employees as well as the operation of the organization through their managers. So the good relationship between manager and subordinates can yield many expected or unexpected positive performance for the organization. Moreover, securing committed employees who are competent and ready to give in their best in the pursuit of the objectives of the organization and likewise maintaining committed employees by those who have found them have been parts of the problems facing most organizations with no exception to the deposit money banks (Ehimen & Alegebe, 2019). Therefore, it is pertinent to divert attention from employee commitment and focus on organizational commitment and employee performance of deposit money banks.

## **2 REVIEW OF RELATED LITERATURE**

### **2.1 Organizational Commitment**

The affiliation an employee has with the organization is what scholars regarded as organizational commitment. Equally, Porter, Steers, Mowday and Boulian (1974) described

organizational commitment as the extent to which employees agree to take the goals and values of organization and the desire to remain with the organization. Committed employees of an organization exhibit positive intentions to serve the organization and think very less about quitting the organization. Organizational commitment is “the aggregate internalized normative demands an employee perform in a manner in which it meets the organizational goals and objectives at the best interest of the organization. Meyer and Allen (1990) advocated three categories of organizational commitment which are: affective commitment which deal with an employee's emotional attachment to an organization, identification with an organization, and involvement in the organization. Normative commitment mirrors pressures on an employee to remain with a firm resulting from firm obligations. Continuance commitment denotes commitment associated with the costs employees perceive that is associated with leaving the present organization. The commitment of employees is imperative the instrument for improving organization performance.

## **2.2 Employee Job Performance**

Performance is the attainment result of by skilled workers in some precise positions. This performance may be somewhat that is ready, or products shaped and offered by a cluster of employee from an organization. Prawirosentoso (2000) explored that performance is outcome of work in an efficient way with considerable obligation for organization without interrupting any law and organizational goals. Furthermore, performance is output that expresses the quantity, quality and contribution of a job. Folorunso, Adewale, Abodunde (2014) aver performance as a deed, performance as a public exhibition of skill; that is, performance is an employee's overall work outcomes, including efficacy, efficiency, and effectiveness (Hsu, 2005). It can be concluded that employee's performance is the result of work accomplished by a person in connection with his position in the organization. Here we are talking about two types of employee performance (task performance and contextual performance). Task performance and contextual performance are two distinct constructs of behavior at work that can

donate independently to effectiveness work related outcomes for organizations.

Task performance is the maintenance of situational awareness (e.g. interpreting and evaluating clients for loan facilities), executing control actions (e.g. by maintaining separation and managing bank clients), performing communication tasks (e.g. telephone calls as a customer care personnel), and operating facilities (e.g. deposit machines in the banks). Each element of task performance has a specified minimum level of performance, and there are standardized management procedures for controllers who fail to perform any of these behaviors at the required standard (Griffin, Neal & Neale 2000). When an employee goes beyond prescribed job responsibilities or voluntary extra-role behavior is refers **contextual performance**. Contextual performance is important because it represents a type of behavior that is largely under the motivational control of employees.

## **2.3 Affective Commitment and Employee Performance**

Mojtaba, Mohammad and Navid (2014) studied the impact of the organizational commitment on the job performance in Tehran, Iran. 244 employees of Cooperatives, Labor and Social Welfare department of Markazi Province were used as respondents. Structural equations modeling (SEM) technique was adopted for data analysis. The result of the study indicated that the organizational commitment had a positive significant effect on the job performance. The study also exposed that affective, continuance and normative commitment had positive significant effect on the job performance. From the findings, it has been proved that job performance was strongly associated with employee's commitment. Oyeniya, Adeyemi and Olaoye (2017) investigated the influence of organizational commitment on job performance among the employees in Nigerian hospitality industry. Descriptive survey research method was used with the aid of structured questionnaire and personal interview for data collection from 75 respondents in Osun State. The data was analyzed with the aid of Pearson Product Moment Correlation Coefficient and Linear Regression. Results revealed that affective commitment and continuance

commitment had positive but insignificant influence on job performance, while normative commitment had negative and insignificant influence on job performance. The study concluded that affective commitment and continuance commitment had weak influence on job performance while normative commitment had inverse influence on job performance. As consequent, the study recommended that management should live up to responsibility by motivating her employees through motivating factors that have a significant effect on employee job performance.

#### **2.4 Continuance Commitment and Employee Performance**

Shahida (2019) examined the relationship between organizational commitment and employee's performance in textile sector of Faisalabad in Pakistan. Questionnaire was used as method of data collection from 179 respondents. Regression and correlation techniques with the aid of SPSS were utilized for data analysis. The outcome indicated that Affective and normative commitment had positive impact on employee's performance but continuance commitment had no significant impact on employee's performance. It was concluded that employee's commitment is significantly correlated with the employee's performance. Sait-Dinc (2017) analyzed the impact of organizational commitment components on overall job satisfaction and job performance. A sample size of 437 respondents was used to gather data primary from employees working in furniture manufacturing firms in Federation of Bosnia and Herzegovina. Descriptive statistics through correlation and regression analyses techniques was adopted for data analysis. The results indicated that affective and normative commitments had effects on overall employees' job performance. It was suggested that furniture manufacturing firms in Federation of Bosnia and Herzegovina can improve employees' job performance by influencing their job satisfaction.

#### **2.5 Normative Commitment and Employee Performance**

Folorunso, Adewale and Abodunde (2014) examined the impact of organizational

commitment on employees' performance among academic staff of Oyo State owned tertiary institutions. The study adopted multi-stage sampling procedure for the selection of the participants. The sample sizes of 197 respondents from the pay roll list the institutions was adopted. A structured questionnaire was used to collect information from the study's participants and both Pearson Product Moment Correlation Coefficients and Multiple Regression Analysis were used to analysis the data. The result revealed that organizational commitment dimensions jointly and independently influence employees' performance among academic staff of Oyo State owned tertiary institutions. Consequently, the study recommended that management of tertiary institutions and policy makers should take measures to enhance academic staff' performance through increased commitment level. Adam, Yuniarsih, Ahman, Kusnend (2018) investigated the relation of organization culture and employee performance and the mediation role of organizational commitment. A sample size of 260 participants who were employee of local public company was adopted. A descriptive method and Multiple Regression Analysis technique was used to analyze the research hypothesis. The study found that normative commitment and continuance commitment had significant effect on employee performance. This revealed that organizational commitment proved to be a mediator in the relation. Organization should develop strong culture and commitment in order to enhance employee performance.

### **3 THEORETICAL FRAMEWORK**

Meyer and Allen (1991) use the tri-dimensional model to conceptualize organizational commitment in three dimensions namely, affective, continuance and normative commitments. These dimensions describe the different ways of organizational commitment development and the implications for employees' performance. Therefore, this study is anchored this tri-dimensional model by Meyer and Allen (1991) which was conducted among 2,301 nurse and 80 bus operators in Western Ontario, London and these dimension needed to be replicate here in

Africa for confirmatory analysis in the banking industry.

### **3.1 Affective Commitment Dimension**

The first dimension of organizational commitment in the model was affective commitment, which represents the individual's emotional attachment to an organization. According to Meyer and Allen (1997, p 11) affective commitment is the employee's emotional attachment to, identification with, and involvement in the organization". Organizational members, who are committed to an organization on the affective basis, continue working for the organization because they want to (Meyer & Allen, 1991). Members who are committed on the affective level stay with the organization because they view their personal employment relationship as harmonious to the goals and values of the organization (Beck & Wilson, 2000).

Affective commitment is a work related attitude with optimistic feelings towards the organization (Morrow, 1993). Sheldon (1971, p 148) upholds that this kind of attitude is "an orientation towards the organization, which links or attaches the identity of the person to the organization". Affective commitment is the relative strength of an individual's identification with and involvement in a particular organization (Mowday, Porter & Steers, 1982). The strength of affective organizational commitment is predisposed by the extent to which the individual's needs and expectations about the organization that matched by their actual experience (Storey, 1995). Tetric (1995, p 589) described affective commitment as the value rationality-based organizational commitment, which refers to the degree of value congruence between an organizational member and an organization.

The organizational commitment model of Meyer and Allen (1997) indicated that affective commitment is inclined by factors such as job challenge, role clarity, goal clarity, and goal difficulty, receptiveness by management, peer cohesion, equity, personal importance, feedback, participation, and dependability. Affective commitment development involves identification and internalization (Beck & Wilson, 2000). Employee affective attachment to an organization

is based on identification with the desire to inaugurate a rewarding relationship with an organization; and through internalization, this refers to congruent goals and values held by employees and the organization. In overall, affective organizational commitment is concerned with the extent to which an employee identifies with an organization (Allen & Meyer, 1990).

### **3.2 Continuance Commitment Dimension**

The second dimension of the tri-dimensional model of organizational commitment was continuance commitment. Meyer and Allen (1997, p 11) stated that continuance commitment is awareness of the costs associated with an employee leaving an organization. It is calculative in nature because of the employee perception or weighing of costs and risks associated with leaving the present organization (Meyer & Allen, 1997). Meyer and Allen (1991) added that employees whose prime link to organization is based on continuance commitment endure because they have to. This indicated the difference between continuance and affective commitment. The latter entails that individual's stay in the organization because they want to.

Continuance commitment can be viewed as an instrumental attachment to the organization, where the employee association with an organization is based on an assessment of economic benefits (Beck & Wilson, 2000). Organizational members develop commitment to an organization because of the positive extrinsic rewards obtained through the effort-bargain without identifying with the organization's goals and values. The strength of continuance commitment, which implies the need to stay with an organization, is determined by the perceived costs of leaving the organization (Meyer & Allen, 1984). Best (1994, p 71) itemized that continuance organizational commitment will consequently be the strongest with the obtainability of alternatives are few and the number of investments are high. This argument supports the view that when given better alternatives, employees may leave the organization for another.

Similarly, Allen & Meyer, (1990, p 715) uphold that accrued investments and poor employment alternatives tend to force employee to sustain their



line of action and are responsible for these employee being committed because they need to". This denotes that employees stay in the organization, because they are lured by other accumulated investments which they could lose, such as pension plans, seniority or organization specific skills. The need to stay is benefit associated with continued participation and termination of service is a "cost" associated with leaving. Tetrick (1995, p 590) support the benefit notion by describing the concept continuance organizational commitment as "an exchange framework, whereby performance and loyalty are offered in return for material benefits and rewards". Consequently, in order to retain employees who are continuance committed, the organization needs to give more attention and recognition to those essentials that boost the employee's morale to be affectively committed.

### **3.3 Normative commitment dimension**

The last dimension is normative commitment. Meyer and Allen (1997, p 11) described normative commitment as a feeling of obligation to continue employment. Internalized normative beliefs of duty and obligation make individuals obliged to sustain affiliation with an organization (Allen & Meyer 1990). Meyer and Allen (1991) argued that employees with normative commitment feel that they ought to remain with the organization. The employees stay because they feel to do so or it is the proper thing to do. Wiener and Vardi (1980, p 86) described normative commitment as work conduct of employee, guided by a sense of duty, obligation and loyalty towards the organization. Organizational members are committed to an organization are grounded on moral reasons (Iverson & Buttigieg, 1999). The normative committed employee considers it morally right to stay in the organization, regardless of how much status enrichment or gratification the organization gives to an employee over the years.

The strength of normative commitment is influenced by accepted rules about reciprocal obligation between the organization and its employee (Suliman & Iles, 2000). The reciprocal obligation is based on the social exchange theory which suggested employee receiving a benefit is

under a strong normative obligation or rule to repay the benefit in some way (McDonald & Makin, 2000). This entails that employees often feel an obligation to repay the organization for investing in them, for example through training and development. Meyer and Allen (1991, p 88) maintained that this moral obligation arises either through the process of socialization within the society or the organization. In either case it is based on a norm of reciprocity, in other words if employees receive a benefit, it places them to the organization under the moral obligation to respond in kindness.

### **3.4 Research Hypotheses**

The following hypotheses were formulated in null format to assist the researcher.

- H<sub>0:1</sub> Affective commitment has no significant effect on employee performance of deposit money banks in Benue State.
- H<sub>0:2</sub> Continuance commitments have no significant effect on employee performance of deposit money banks in Benue State.
- H<sub>0:3</sub> Normative commitments have no significant effect on employee performance of deposit money banks in Benue State.

## **4 METHODOLOGY**

This research study adopted descriptive survey method where primary data was collated using self-administered questionnaire of five likert scale from 1 strongly disagreed to 5 strongly agreed. Because it was self-administered questionnaires, this was cost-effective since we did not hire surveyors to perform face-to-face data, and massive amounts of information were gathered from a large number of people in a relatively short period of time. The population for the study consists of all employees from four deposit money banks selected for this study with branches in Makurdi Metropolis. These banks include: United Bank for Africa Plc with three (3) branches and has 111 employees and First Bank of Nigeria Plc with four (4) branches and had 139 employees. The sample size of 154 was determined with the aid of Taro Yamane's formula at the 0.05 level of significance from a population of 250 employees.



Cronbach Alpha was considered for reliability of the instruments and validity instrument was done using Content Validity Ratio formula by Lawsha (1975) and the figures were above 0.70 coefficients that is the minimum threshold. The hypotheses were tested using the regression analysis techniques with the aid of the Statistical Package for the Social Sciences (SPSS).

From the data presented here, we refer to Affective Commitment as AC, Continuance Commitment as CC, Normative Commitment as NC, Task Performance as TP while Contextual performance as CP. The measurement of this tool was regarded as significant if the ( $p < 0.05$ ) path estimates; while t-tests  $> 1.97$  values will be considered significant and otherwise insignificant.

**Table 4.1: Descriptive Statistics**

	N	Minimum	Maximum	Mean		Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Statistic	Std. Error	Statistic	Std. Error
AC	154	8.00	40.00	25.0260	.54240	6.73101	-.557	.195	.577	.389
CC	154	12.00	39.00	24.5974	.47522	5.89729	.181	.195	.080	.389
NC	154	8.00	37.00	25.3636	.56748	7.04219	-.512	.195	-.131	.389
TP	154	6.00	30.00	19.1104	.40627	5.04174	-.789	.195	.558	.389
CP	154	5.00	25.00	16.1364	.39596	4.91372	-.784	.195	-.147	.389
Valid N (listwise)	154									

Source: SPSS Output, (2021)

The Table 4.2 is a descriptive statistics where the minimum statistic for AC, CC, NC, TP and CP were 8.00, 12.00, 8.00, 6.00 and 5.00 respectively. The Maximum statistic for AC, CC, NC, TP and CP were 40.00, 39.00, 37.00, 30.00 and 25.00. The table also revealed their Mean statistic as 25.0260, 24.5974, 25.3636, 19.1104 and v respectively. The data from this table also uncovered that Standard Deviation was 6.73101, 5.89729, 7.04219, 5.04174 and 4.91372 while data for Skewness of these variable were -0.557, 0.181, -0.512, -0.789 and -0.784 and lastly data for Kurtosis of AC, CC, NC, TP and CP were 0.577, 0.080, -0.131, 0.558 and -0.147 respectively.

**Table 4.2: Regression Result for Task Performance**

R <sup>2</sup>	0.749		
R <sup>2</sup> adjusted	0.744		
Sig	0.000		
Variable	Standardized Coefficients	t-value	Sig
AC	0.375	6.785	0.000
CC	0.129	1.936	0.055
NC	0.471	7.328	0.000

Source: SPSS Output, (2021)

The R square from table 4.2 the coefficient of determination which was 0.749 or 74.9% while the Adjusted R Square 0.744 proportion of variance in the dependent variable. It indicated that the three

dimensions of organizational commitment (AC, CC and NC) accounted for 74.9% of variations in task performance of deposit money banks leaving 25.1% of the variations in task performance to be accounted for by other factors not considered in this research study. The table 4.2 also revealed that AC had standardized coefficients of 0.375, t-value of 6.785 and sig-value of 0.000. CC had standardized coefficients of 0.129, t-value of 1.936 and sig-value of 0.055 while NC had standardized coefficients of 0.471, t-value of 7.328 and sig-value of 0.000.

**Table 4.3: Regression Result for Contextual Performance**

Variable	Standardized Coefficients	t-value	Sig
R <sup>2</sup>	0.738		
R <sup>2</sup> adjusted	0.733		
Sig	0.000		
AC	0.264	4.673	0.000
CC	0.361	5.297	0.000
NC	0.343	5.227	0.000

Source: SPSS Output, (2021)

The R square from table 4.3 the coefficient of determination which was 0.738 or 73.8% while the Adjusted R Square 0.733 proportion of variance in the dependent variable contextual performance. It indicated that the three dimensions of organizational commitment (AC, CC and NC) accounted for 73.8% of variations in the contextual performance of deposit money banks leaving 26.2% of the variations in contextual performance to be accounted for by other factors not considered in this research work. The table 4.3 also discovered that AC had standardized coefficients of 0.264, t-value of 4.673 and sig-value of 0.000. CC had standardized coefficients of 0.361, t-value of 5.297 and sig-value of 0.000 while NC had standardized coefficients of 0.343, t-value of 5.227 and sig-value of 0.000.

#### 4.1 Discussion of Findings

The study investigated the effect of organizational commitment on employee performance of deposit money banks in Nigeria with evidence from Benue State. In the study, three dimensions of organizational commitment (AC, CC and NC) were examined alongside with two dimensions of employee performance (task and contextual performance). The study revealed that AC had significant effect on task and contextual performance of deposit money banks. The result is consistent with Mojtaba, Mohammad and Navid (2014), Oyeniya, Adeyemi and Olaoye (2017), Shahida (2019) who found positive effect of three constructs of organizational commitment on of personnel performance in various organizational settings. Nevertheless, the result controverted with the findings of Shore, Barksdale and Shore (1995) study that affective commitment and job performance are positively correlated but not significant. The implication here that, organizations may attain better performance

results by enthralling individual members of the organization for affective commitment, increasing sunk costs for employees.

The result of continuance commitment revealed that there was insignificant effect of continuance commitment on task performance but it has significant effect on contextual performance. The study is consistent with Shahida (2019) who stated that continuance commitment had no significant impact on employee’s performance. The finding was also consistent with Oyeniya, Adeyemi and Olaoye (2017) whose results revealed that affective commitment and continuance commitment had positive but insignificant influence on job performance, while normative commitment had negative and insignificant influence on job performance. The result of normative commitment exposed that significant effect exist between normative commitment **and** both task and contextual performance of deposit money banks. The result is consistent with Clarke

(2006) study who examined the health care units in United Kingdom where affective and normative commitment had noteworthy effect on employee's performance. Though, the result revealed that continuance commitment has negatively affected on employee's performance. Continuance commitment ineffectively effects employee performance (Qaisar, Rehman & Suffyan, 2012). These stated works clarifies that there is certain connotation that is present among organizational commitment and employee's performance. This research therefore, revealed that affective Commitment and normative commitment were most related with employee performance as observed from the regression analysis continuance commitment had insignificant effect on employees performance of deposit money banks in Nigeria.

#### 4.2 Conclusion and Recommendations

The conclusion drawn from this study was that affective commitment and normative commitment had significant effect on employee performance dimensions adopted while continuance commitment had weak influence on employee performance. Subsequently, the researchers call for attention of management and policy makers in deposit money banks to take measures to enhance employees' performance through increased affective commitment and normative commitment level. Deposit money banks Management may provide very conducive work environment that will recognize the work efforts members of organization in order to make them contribute positively to the attainment of the banks objectives. The researchers also recommended that management could live up to their responsibility with the motivation of employees pay satisfaction, effective pension plan, training and development for effective performance

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# Organizational Citizenship Behaviour and Growth of Selected Deposit Money Banks (DMBs) in Makurdi Metropolis, Benue State-Nigeria

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## ABSTRACT

*The study investigated the effect of organizational citizenship behaviour on the growth of selected Deposit Money Banks (DMBs) in Makurdi Metropolis, Benue State-Nigeria. The study specifically examined the effect of altruism, courtesy, conscientiousness, civic virtue and sportsmanship on the growth of selected deposit money banks in Makurdi Metropolis. The study adopted a survey research design and a five-point Likert type scale close-ended questionnaire was used for data collection. The population of the study included 272 staff of First Bank of Nigeria Plc, United Bank for Africa, Guaranty Trust Bank Plc and Zenith Bank Plc and census sampling approach was used. Correlation and regression coefficients were used for data analysis and test of hypotheses with the aid of the Statistical Package for Social Sciences (SPSS version 23). Findings of the study indicated that altruism, courtesy, conscientiousness, civic virtue and sportsmanship have positive and significant effect on the growth of selected deposit money banks in Makurdi Metropolis. The study concluded that citizenship behaviours exhibited by employees of banks have greatly enhanced the growth of deposit money banks in Makurdi Metropolis. The study recommended amongst others that management of deposit money banks in Nigeria should sensitize employees to exhibit courteous behaviors by instituting relevant policies, trainings and group discussions for both old and newly recruited employees.*

**Keywords:** Organizational Citizenship Behaviour, Altruism, Courtesy, Conscientiousness, Civic Virtue, Sportsmanship, Growth.

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## **1. Introduction**

For organisations to survive and thrive in the present competitive and turbulent business environment they need to adapt changes occasioned by rapid technological advancements, high expectations of customers, and ever changing market situations. The dynamic nature of business environment makes it important for organizations to continuously update themselves in terms of strategies, policies, knowledge, tactics and structure (Banahene, Ahudey & Asamoah, 2017; Tamunomiebi & Onah, 2019). Organizations that focus on the development of innovative and high quality products and services consider the integral role of employees in achieving their stated goals (Niveditha & Sujatha, 2020).

Organizations need employees who display or exhibit positive behaviours or dispositions towards work (Al-Rwajfeh, 2019; Ghosh & Shum, 2019), employees who are willing to do the work that exceeds predetermined job descriptions and those who can freely give up their time and energy to complete tasks assigned to them (Miao, Humphrey & Qian, 2020). This brought about the concept of Organizational Citizenship Behaviour (OCB).

Organizational citizenship behaviour (OCB) is a discretionary individual behaviour that promotes the effective functioning of an organization, which is not explicitly recognized by the formal reward system (Organ, 2018). A five-factor model of OCB proposed by Organ (2018) consists of altruism, courtesy, conscientiousness, civic virtue and sportsmanship and these dimensions are adopted for the current study. These constructs are significant in explaining the discretionary roles of employees in the banking industry (Chelagat, Kiprop & Kembi, 2015; Njage, 2017; Abiante, 2018).

The effect of altruism (selfless concern for the welfare of others), courtesy (respectful, polite, civil behaviour), conscientiousness (characterized by careful; painstaking devotion to the rules and regulations of the organization), civic virtue (proactive contribution to the organization's harmony) and sportsmanship (conduct and attitude

consistent with tolerance for sub-optimal circumstances) on the growth of the banking industry is well documented (Viko & Nnorom, 2020; Okpu & Igbedion, 2021). Firm growth is an organizational outcome resulting from the combinations of firm specific resources, capabilities and routines (Veglio & Zucchella, 2015). The most common measures of bank growth measures include number of employees and growth in assets (Shaba, Yaaba & Abubakar, 2016; Dinka, 2018) and these indicators are used in the current study.

The banking system in Nigeria has over the years seen unprecedented changes that resulted to the emergence of more financial institutions, change in ownership structure and improvement in banking operations. Deposit Money Banks (DMBs) are considered to be the primary channel of savings and allocations of credits in an economy (Harley, Afolabi, & Adegbola, 2018). Employees of deposit money banks in Nigeria exhibit citizenship behaviours such as working for long hours, carrying heavy work load and assisting other colleagues in achieving set targets to help accomplish organizational goals. The study contributes to the frontier of knowledge of organisational citizenship behaviour as a virile driver of growth in the banking sector which would enable deposit money banks to draw from the findings in their bid to maintaining healthy growth and survivability. The study therefore examines the effect of organizational citizenship behaviour on the growth of selected deposit money banks in Makurdi Metropolis.

### **1.1 Research Hypotheses**

The following null hypotheses have been formulated for this study:

- H0<sub>1</sub>: Altruism has no significant effect on the growth of selected deposit money banks in Makurdi Metropolis
- H0<sub>2</sub>: Courtesy has no significant effect on the growth of selected deposit money banks in Makurdi Metropolis
- H0<sub>3</sub>: Conscientiousness has no significant effect on the growth of selected deposit money banks in Makurdi Metropolis



- H0<sub>4</sub>: Civic virtue has no significant effect on the growth of selected deposit money banks in Makurdi Metropolis
- H0<sub>5</sub>: Sportsmanship has no significant effect on the growth of selected deposit money banks in Makurdi Metropolis

## **2. Literature Review**

### **2.1 Concept of Organizational Citizenship Behaviour (OCB)**

Organizational Citizenship Behaviour was first conceptualized by Bateman and Organ (1983) to mean behaviours that an employee voluntarily engages in that promote the effectiveness of the organization but are not explicitly rewarded by the organization. It is a type of employee behaviour which encourage them to go beyond the expected work level from the organization, which benefit both employees and organizations (Deery, Rayton, Walsh & Kinnie, 2016). This implies that organizational citizenship behaviour enables employees to go beyond their expected roles in the organization to help increase their productivity and growth of the organization. There are different scholastic postulations indicating the dimensions of organizational citizenship behaviour however this study adopted five dimensions as postulated by Organ (2018) which include altruism, conscientiousness, sportsmanship, courtesy, and civic virtue.

#### **Altruism**

Altruism refers to a behaviour aimed at helping a co-worker in most cases new employees such as familiarizing new employees and helping them when confronted with weighty workload that can lead to fatigue (Ibukunoluwa, Anuoluwapo & Agbude, 2015). Altruism is also defined as the desire to help or assist another individual, while not expecting a reward in compensation for such assistance (Dinka, 2018). This type of behaviour involves discretionary actions to assist a colleague with a work-related issue like assisting a co-worker complete an uncompleted task.

#### **Courtesy**

Courtesy entails respecting colleagues' views and perception to prevent work-related problems (Udin, Mahmood & Fan, 2019). Courtesy also means discretionary behaviours that aimed at

preventing work-related conflicts with others (Alkahtani, 2015). Courteous behaviours enable co-workers to efficiently channel their efforts thereby reducing the chances of wasting resources and experiencing anger or frustration (Ali & Ikik, 2021).

#### **Conscientiousness**

Conscientiousness denotes carrying out work above minimum requirement in an organization. Conscientiousness refers to instances in which employees perform their role behaviours well beyond the minimum required level, such as attending to meetings, keeping one's work area clean, punctuality and strict adherence to other formal and informal rules designed to preserve order in the work place (Organ, 2018). High conscientious individuals stick with the organisation longer than individuals lower in conscientiousness whether or not there is an additional benefit (Amah, 2017).

#### **Civic Virtue**

Civic virtue involves engagement in organisational politics, values and civic responsibility such as giving rightful contributions, attending meetings, vibrant discussion on organisational issues, its vision and objectives, good organisational communications on the strategic intent and healthiness of the organization amongst others (Kumari & Thapliyal, 2017). Civic virtue is an attitude displayed by employees to show that they actively committed, loyal, respectful, patriotic and concern on the wellbeing and life expectancy of the organisation (Viko & Nnorom, 2020).

#### **Sportsmanship**

Sportsmanship is defined as the attitude and willingness to accept the unavoidable inconveniences and impositions of work without complaining (Organ, 2018). It is the ability to avoid complaints on issues facing the task at workplace; being positive and tolerating problems in the workplace and encouraging others (Nadim, Hassan, Abbas & Naveed, 2016). Employees high in sportsmanship have positive attitudes (Mohamed, 2016) and find ways to confront challenges and strive to resolve them.

## **2.2 Concept of Growth**

Growth has long been considered a critical and distinct component of organizational performance (Ubesi & Okeke, 2013). The growth of firm can be represented by the change of some variable over time. Growth may be defined as increase in size, number of employees, asset, capital, sales and profit of an organization. An organization that does not grow is destined to die easily. Therefore, measurement of business organization's growth is very important to the owners, managers, employees and creditors (Skalik, 2016). Firm growth involves changes in assets, or capital employed, turnover, and number of employees (James, Newton, Main & Stephen, 2016). Different scholars have adopted diverse parameters in measuring growth of business organizations. Mmakwe and Ojiabo (2018) asserted that the number of employees and assets growth are two variables mostly used to measure the growth of business organizations such as banks.

Assets growth refers to the ability of an organization to continue to attract capital as a critical performance dimension (Eje-Orusa, Gabriel & Henry, 2018). Firms need to grow their assets by increasing the amount of assets at their disposal and also adopting new technologies to remain competitive. Employee growth is another construct of bank growth which represents the change in the number of people employed by an organization between two time periods (Eyapoglu, 2016). The growth in size of employees is very vital to organizations because it indicates how the organization is adding critical resources.

## **2.3 Empirical Studies**

Wasim, Faryal, Masood, Zunaira and Hina (2021) examined the effect of organizational citizenship behaviour on organizational commitment in the banking sector in Punjab, Pakistan. Using the quantitative research design data were collected through questionnaire administration from 361 employees. Pearson Correlation and regression coefficient were used for test of hypotheses. The result revealed that organizational citizenship behaviour significantly influenced organizational

commitment of employees working in the banking sector.

Okpu and Igbedion (2021) examined the effect of organizational citizenship behaviour on the performance of thirteen (13) listed commercial banks in Bayelsa State, Nigeria. A cross-sectional research design was adopted for the study and a sample size of 338 was obtained from the population of 2,800 using Krejice and Morgan sample size determination. Using Spearman Correlation Coefficient to analyse the data, the results showed a positive and significant effect of organizational citizenship behaviour (altruism, conscientiousness and sportsmanship) on performance of listed banks in Nigeria.

Viko and Nnorom (2020) investigated the effect of organizational citizenship behaviour on job satisfaction of employees in selected Deposit Money Banks of Lagos State, Nigeria. The study adopted a survey research design and data were collected through questionnaire. The population of the study included 59678 employees of 10 selected banks in Lagos State. Data collected were analysed using descriptive statistics and inferential statistics (correlation analysis). Result revealed a significant relationship between job satisfaction and organizational citizenship behaviour among employees of Deposit Money Banks in Lagos State.

Al-Saed and Hussein (2019) researched on the effect of organizational citizenship behaviour on organizational commitment of Arabic Bank, Jordan. A survey design was adopted for the study. The study population included all 128 employees (Managers, Assistant Managers and Heads of Departments) in Arabic Bank branches at Amman Capital. Data collected through questionnaire were analysed using multiple regression analysis and findings indicated that organizational citizenship behaviour dimensions (altruism, courtesy, conscientiousness, sportsmanship, and civic virtue) have significant effect on organizational commitment (affective commitment, continuous commitment & normative commitment) on employees of Arabic Bank.

Abiante (2018) researched on organizational citizenship behaviour and employee performance in Nigerian Deposit Money Banks, Rivers State. A survey design was adopted for the study and data were collected through administered questionnaire. The population of the study consisted of 630 employees of deposit money banks in Port Harcourt metropolis and a sample of 541 employees was derived from the population. The Spearman rank order correlation was used for test of formulated hypotheses and result indicated that OCB has significant effect on employee performance in Deposit Money Banks in Nigeria.

Cross (2018) investigated the effect of organizational citizenship behaviour on the performance of selected Nigerian commercial banks. The study was carried out through the survey method and interview of 174 employees of Union Bank Plc, Zenith Bank Plc, and First Bank of Nigeria Plc, Central Business Area, Abuja. Pearson Moment Product Coefficient and regression analysis were used for hypotheses testing. Findings of the study revealed that OCB has a positive and significant effect on the performance of selected Nigerian commercial banks.

Ngugi (2017) examined the effect of organizational citizenship behaviour on performance of the banking industry with focus on Barclays Bank in North Rift Region, Kenya. The study used a sample of 120 employees of Barclays Bank North Rift region. Data collected with self-administered questionnaire were analyzed using frequencies, percentages, means and multiple regressions. Findings of the study showed that OCB has a positive and significant effect on the performance of the banking industry in Kenya.

Kabiru and Abdulmalik (2016) examined the effect of organizational citizenship behaviour on performance of Deposit Money Banks (DMBs) in Kaduna State, Nigeria. The study employed survey research design and questionnaire was administered to a sample of 168 employees of banks in Kaduna metropolis. Hierarchical regression analysis was conducted to test the hypotheses formulated and findings of the study revealed significant relationship between OCB and performance of DMBs in Kaduna metropolis.

Chelagat, Chepkwony and Kemboi (2015) studied the effect of organizational citizenship behaviour on employee performance in the banking sector in Nairobi County, Kenya. Explanatory research design was adopted by the study. The total population included 748 bank employees drawn from 25 banks in Nairobi. A sample of 173 staff was selected using random sampling technique and questionnaire was used for data collection. Correlation and multiple regressions were used for data analysis and test of hypotheses. Findings indicated that altruism and courtesy have a positive and significant effect on employee performance in the banking industry in Kenya.

### **3. Methodology**

The study adopted a survey research design. This approach enabled researchers to collect different opinions of the participants using questionnaire. The population of the study consists of two hundred and seventy-two (272) staff of four selected banks in Makurdi Metropolis namely, First Bank of Nigeria Plc, United Bank for Africa, Guaranty Trust Bank Plc and Zenith Bank Plc. All categories of staff were included in the population because organizational citizenship behaviour is an issue that involves all employees. The banks chosen included both old and new generation banks. A census sampling technique was adopted since the population was manageable.

Organizational Citizenship Behaviour (OCB) was measured with a 24-item scale adopted from Shaad (2019) proposed instrument for measuring OCB dimensions. Growth was measured using ten (10) items adapted from Ubesie and Okeke (2013) with modifications. Items on the questionnaire were designed on a five (5) point likert like scale as follows: “Strongly disagree 1, Disagree 2, Neutral 3, Agree 4, Strongly agree 5.” A pilot test was carried out through pretest method. A pilot test was conducted on two DMBs in Makurdi Metropolis (First Bank of Nigeria Plc and Zenith Bank Plc). The results showed that all the constructs were above the 0.7 recommended thresholds as follows: altruism ( $a = 0.864$ ), courtesy ( $a = 0.807$ ), conscientiousness ( $a = 0.852$ ), civic virtue ( $a = 0.849$ ), sportsmanship ( $a = 0.858$ ) and growth ( $a = 0.852$ ). Data collected from respondents were analysed using correlation and

regression coefficients with the aid of the Statistical Package for Social Sciences (SPSS) version 23.

**4. Data Analysis and Results**

To ensure that there is no multicollinearity in the data, the variance inflation factors (VIF) and tolerance scores were used.

**Table 1: Multicollinearity Test for Organizational Citizenship Behaviour Dimensions**

Variable	Colinearity Statistics	
	Tolerance	VIF
Altruism	.314	3.180
Courtesy	.652	1.534
Conscientiousness	.602	1.661
Civic Virtue	.632	1.581
Sportsmanship	.295	3.392

**Source:** Researchers’ Computation from SPSS Output, 2021.

The result of muticollinearity test for OCB dimensions as presented in Table 1 shows that the VIF values for organizational citizenship behaviour dimensions are below 10 and therefore multicollinearity was not problematic in the study. The tolerance values are above 0.2 for for all the independent variable proxies.

**Table 2: Correlations Matrix**

Variables	1	2	3	4	5	6
Altruism (1)	1					
Courtesy (2)	.528**	1				
Conscientiousness (3)	.534**	.612**	1			
Civic Virtue (4)	.526**	.546**	.600**	1		
Sportsmanship (5)	.821**	.674**	.585**	.608**	1	
Growth (6)	.597**	.740**	.663**	.618**	.545**	1

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

**Source:** Researchers’ Computation from SPSS Output, 2021.

Table 2 shows the correlation between all the dimensions of organizational citizenship behaviour and growth. The result showed that organizational citizenship behaviour dimensions had high correlation with growth and a positive relationship between the variables. The result found a moderate correlation between altruism and growth ( $r=.597$ ;  $p<.01$ ). Courtesy was found to be highly correlated with growth ( $r=.740$ ;  $p<.01$ ). There was a high positive correlation between conscientiousness and growth ( $r=.663$ ;  $p<.01$ ) while high correlation was also found between civic virtue and growth ( $r=.618$ ;  $p<.01$ ) and sportsmanship had a positive correlation with growth ( $r=.545$ ;  $p<.01$ ).

**4.1 Test of Hypotheses**

Five hypotheses earlier formulated in this study were tested. Multiple regression was used to test the effect of the independent variables (altruism, courtesy, conscientiousness, civic virtue and sportsmanship) on the dependent variable (growth).

**Table 3: Regression Results**

Hypotheses			Beta	t	Sig	Decision	
H0 <sub>1</sub>	Altruism	—————>	Growth	.160	3.013	.003	Significant
H0 <sub>2</sub>	Courtesy	—————>	Growth	.543	14.758	.000	Significant
H0 <sub>3</sub>	Conscientiousness	—————>	Growth	.159	4.145	.000	Significant
H0 <sub>4</sub>	Civic Virtue	—————>	Growth	.267	7.159	.000	Significant
H0 <sub>5</sub>	Sportsmanship	—————>	Growth	.190	3.479	.001	Significant
R <sup>2</sup>		.638					
Sig. F Change		.000					
Durbin-Watson		1.629					

*Predictors: (Constant), Sportsmanship, Courtesy, Civic Virtue, Conscientiousness, Altruism*

*Dependent Variables: Growth*

*Source: Researcher’s Computation from SPSS Output, 2021.*

The result in Table 3 indicates that organizational citizenship behaviour (altruism, courtesy, conscientiousness, civic virtue and sportsmanship) contributes to 63.8% to growth of listed deposit money banks in Nigeria. This implies that other factors not covered by this study contribute to 36.2% in growth of listed deposit money banks in Nigeria. The significance values show that the model is statistically significant (sig.< .000) in explaining relationship between the variables. Durbin-Watson Test is used to test for autocorrelation and the value of Durbin-Watson (1.629) shows the absence of autocorrelation.

Hypothesis One (H0<sub>1</sub>) stated that altruism has no significant effect on growth of selected deposit money banks in Makurdi Metropolis. The critical value of t-statistics is ±1.96 at 95% and the result shows that  $\beta = 0.160$ ,  $t = 3.013$ ,  $p < .05$ , indicating that altruism has positive and significant effect on assets growth of listed deposit money banks in Nigeria. Therefore, the null hypothesis (H0<sub>1</sub>) is rejected and thus concluded that altruism has significant effect on the growth of selected deposit money banks in Makurdi Metropolis

Regarding Hypothesis Two (H0<sub>2</sub>) which states that courtesy has no significant effect on growth of selected deposit money banks in Nigeria, the critical value of t-statistics is ±1.96 at 95% and the result shows that  $\beta = 0.543$ ,  $t = 14.758$ ,  $p < .05$ , indicating that courtesy has significant effect on assets growth of listed deposit money banks in Nigeria. Therefore, the null hypothesis (H0<sub>2</sub>) is

rejected and thus concluded that courtesy has significant effect the growth of selected deposit money banks in Makurdi Metropolis.

With respect to test of Hypothesis Three (H0<sub>3</sub>) the critical value of t-statistics is ±1.96 at 95% and the result shows that  $\beta = 0.159$ ,  $t = 4.145$ ,  $p < .05$  and the null hypotheses which states that conscientiousness has no significant effect on growth of selected deposit money banks in Makurdi Metropolis is rejected, hence it is concluded that conscientiousness has positive and significant effect on the growth of selected deposit money banks in Makurdi Metropolis.

To test of Hypothesis Four (H0<sub>4</sub>) the critical value of t-statistics is ±1.96 at 95% and the result shows that  $\beta = 0.267$ ,  $t = 7.159$ ,  $p < .05$  and the null hypotheses which states that civic virtue has no significant effect on growth of selected deposit money banks in Makurdi Metropolis is rejected, hence it is concluded that civic virtue has positive and significant effect on the growth of selected deposit money banks in Makurdi Metropolis.

With respect to Hypothesis Five (H0<sub>5</sub>) the critical value of t-statistics is ±1.96 at 95% and the result shows that  $\beta = 0.190$ ,  $t = 3.479$ ,  $p < .05$  and the null hypotheses which states that sportsmanship has no significant effect on growth of selected deposit money banks in Makurdi Metropolis is rejected. This implies that sportsmanship has positive and significant effect on the growth of selected deposit money banks in Makurdi Metropolis.

## **4.2 Discussion of Findings**

The data collected and analysed indicated that altruism has significant effect on growth of selected deposit money banks in Makurdi Metropolis. In support of this finding, Ibukunoluwa, Anuoluwapo and Agbude (2015) asserted that altruism help new employees to get familiarize with the workplace, which positively affects growth of banks. The result is also in line with Cross (2018) whose study on organizational citizenship behaviour and performance of the banking industry in Nigeria found significant relationship between altruism and performance of banks in Nigeria in terms of returns on investment and returns on assets. The implication of the finding is that altruism is a helping behaviour that positively affects the growth of banks.

The study also found that courtesy has a significant and positive effect on growth of selected deposit money banks in Makurdi Metropolis. The result of the correlation analysis indicated a significant relationship between courtesy and growth. In agreement with this finding, Washim, Faryal, Masood, Zunaira and Hina (2021) reported significant effect of courtesy behaviour on commitment and increase in organizational assets. Akannu and Ndubueze (2017) also affirmed the importance of courteous behaviours in positively affecting both employee and organizational performance. This finding implies that employees in deposit money banks collaborate with others before embarking on actions that will affect them.

Also, the study found that conscientiousness behaviour has a positive and significant effect on the growth of selected deposit money banks in Makurdi Metropolis. In line with this result, Ehigie and Otukoya (2015) affirmed that organizations record improvement in their assets when employees show conscientiousness towards the organization. Organ (2018) asserted that conscientious behaviour enables employees to strictly adhere to organizational rules and policies which significantly affect organizational growth. Recent studies by Hemakumara (2021) established the effect of conscientiousness on organizational

outcomes such as assets growth in the banking industry. Impliedly, conscientious individuals are dependable, efficient, and hardworking.

The study established that civic virtue has significant effect on the growth of selected deposit money banks in Makurdi Metropolis. The finding is in agreement with Sawalha and Kathawala (2019) whose study showed that civic virtue and assets growth are positively correlated. Amadi, Seth and Ojiabo (2017) established that OCB dimensions including civic virtue have positive effect on organizational growth outcomes such as customer orientation, sales growth and assets growth.

Findings of the study showed that there is a positive and significant effect of sportsmanship on the growth of selected deposit money banks in Makurdi Metropolis. In support of the result, Christiansen and Chandan (2017) posited that organizations cannot survive without employees exhibiting extra role behaviours such as sportsmanship. Hossain (2020) also agreed that assets of organizations grow faster and they operate efficiently when employees exhibit spirit of sportsmanship. The result is also corroborated by Yildiz and Amin (2020) who established that sportsmanship behaviour is positively related with assets growth. The implication of the finding to listed deposit money banks in Nigeria is that employees of banks present a citizen-like posture of tolerating the inevitable.

## **5. Conclusion**

The study has demonstrated that that the five constructs of organizational citizenship behaviour (altruism, courtesy, conscientiousness, civic virtue and sportsmanship) have positive and significantly effect on the growth of selected deposit money banks in Makurdi Metropolis. The study concluded that altruistic behaviours exhibited by employees positively affect growth of selected deposit money banks in Nigeria. Courtesy behaviour stimulates friendship, trust and cordiality among employees in the workplace. Conscientious behaviour of employees contributes substantially to the growth of deposit money banks in Makurdi Metropolis. Civic virtue is



positively associated with growth of deposit money banks in Makurdi Metropolis. Finally, the study concluded that sportsmanship behaviour reduces intergroup conflict and diminishes the need to spend time on conflict resolutions between workers and managers on issues relating to working conditions hence, positively having effect on growth of deposit money banks.

## 6. Recommendations

Based on the findings of this study and conclusion drawn, the following recommendations were made:

- i. Management of deposit money banks in Makurdi Metropolis should ensure that employee who periodically exhibit altruistic behaviours are rewarded by providing allowances (such as children education and health) and bonuses such as annual leave bonus to them.
- ii. Management of deposit money banks in Makurdi Metropolis should create a good social platform that will generate interpersonal cordiality in their banks by creating the enabling environment for social interactions such as social media where members can assemble, play, joke and laugh with one another without necessarily using official working hours in the process.
- iii. Managers of deposit money banks in Nigeria should allow fairness, equity and objectivity to prevail in their banks so that employees will be more dedicated and focused in achieving their stated goals.
- iv. Management of deposit money banks in Makurdi Metropolis should always support their employees by creating an enabling environment through the active involvement of employees in organizational policies and regular provision of feedback on policies of banks to employees.
- v. Employees should also be advised to minimize from complaining about the status of the organization but rather work cooperatively for the interest of their banks.

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# Customer Perceived Value, Destination Equity, Brand Name And Customer Loyalty In Hospitality Industry, Nigeria

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## ABSTRACT

*The purpose of this study was to examine the effect of perceived value on customer loyalty; moderating effect of destination equity and mediating role of brand name was taken into consideration. The study used descriptive survey research design. 364 returned questionnaires were used for the study. A two-stage sampling technique was used in this study. Partial Least Square Structural Equation Modelling (SEM) was used to analyze the data. The empirical result support the significant effect quality, emotional response, price on customer loyalty. Perceived value significantly affect brand name, also brand name has significant effect on customer loyalty. The result indicate competitive partial mediating role of brand name between perceived value and customer loyalty while the moderating effect of destination equity was not supported. The study provide a unique study into mediating effect of brand name and moderating effect of destination equity between perceived value and customer loyalty in hospitality industry.*

**Keywords:** - Brand Name, Customer Loyalty, Destination Equity, Perceived Value  
**Paper type** Research Paper

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## 1. INTRODUCTION

The recent competitive business environment perceived value is the main source of gaining customer loyalty for an organization. It is observed that product value not only influences customers' choice behaviour at the pre-purchase phase but also affects their satisfaction, intention to recommend and return behaviour at the post-purchase phase (Hai, 2018; Jiang, 2015; Parasuraman & Grewal 2000; Petrick, 2001). Hence, perceived value is the instrument allowed organizations to achieve customer loyalty and competitive advantage over other competitors. Therefore, product perceived value customer loyalty influences customer loyalty.

Customer loyalty is considered as the basis of competitive advantage and has strong influence on firm performance (Ruize, *et al.*, 2008).

Recently studies on the mediating effect of brand name on the relationship between perceived value and customer loyalty seem to have attracted relatively little attention in both the general marketing and the specific services marketing literature (Jiang, 2015). Therefore, brand name is a choice approach that successfully influences customer loyalty.

The destination equity universally comes to be used in the 1980s and it is an event that added value to a product (Chieng & Goi, 2011). As a result products and service has been affected with difficulties that occur as a result of inadequate knowledge about the importance of perceived value, destination equity, brand name and customer loyalty (Raza, *et al.*, 2012; Dust & Askarzade, 2013). Perceived value, brand and destination equity are significant in generating customer loyalty (Awan & Rehman, 2014, HaiQuynh, *et al.*, 2018). Customer loyalty is an ability of an organization to achieve customer high re-purchase intention that results to high market share.

However, there have been attempts for the assessment of perceived value through different techniques (Brady & Bourdeau, 2005, Dust & Askarzade, 2013, El-Adly & Eid, 2016, HaiQuynh,

*et al.*, 2018) but recorded mixed findings. For that reason, this study re-examines the relationship between perceived value and customer loyalty with emphasis on the moderating effect of destination equity and mediating role of brand name. Also, some studies relied on secondary data analysis originated from consumer reports (Al-Sabbahy, *et al.*, 2002, Bojanic 1996, Bolton & Drew 1991, Jayanti & Ghosh 1996, Kashyap & Bojanic, 2000) with little emphasis on primary data. Furthermore, most of this study focuses on the airline industry, tourism industry and supermarket retailers (Scaglione & Mendola, 2016; Rahim, 2016, Ying-Pin, 2016) with little emphasis on hotel industry. However, research in perceived value, destination equity, brand name and customer loyalty is scarce (Huang & Sarigöllü, 2012), especially in the context of hotel industry, hence limiting the understanding concerning how customers make their decisions to re-patronize the hotel. Therefore, this study will fill this gap by using primary data to capture customers' overall value judgement on value perceived, destination equity, brand name and customer loyalty. Also, the study will examine the impact of perceived value on customer loyalty: moderating effect of destination equity and mediating role of Brand Name.

## 2. LITERATURE REVIEW

### 2.1 Perceived value

The concept of perceived value has been identified as one of the most significant elements for gaining competitive advantage (Parasuraman, 1997) and the most significant indicator of repurchase intentions (Parasuraman & Grewal, 2000). However, research scholars argued that this unidimensional measure lacks validity (Woodruff & Gardial, 1996) and it assumes that consumers have a shared meaning of value (Petrick, 2004). Perceived-value is defined as the perception about quality, social psychology and financial benefit (Bishop, 1984, Velimirović, *et al.*, 2011). Several researchers have examined the influence of value on customers' purchase intentions (Brady & Bourdeau, 2005, Dust & Askarzade, 2013, El-Adly & Eid, 2016, HaiQuynh, *et al.*, 2018). Previous studies have pointed to the positive relationship among service quality and perceived



value (Bauer, *et al.*, 2006) which has been shown to cause loyalty among the customers.

### **2.1.1 Perceived quality**

Quality is defined as consumer perception from total quality of a product or service than others options (Zeithaml, 1988). Perceived quality is a competitive necessity and today most firms adapt themselves to customer-based quality as a strategic weapon (Atilgan *et al.*, 2005). In fact, perceived quality is not a real quality of product, but subjective evaluation of customer from product (Zeithaml, 1988). The perceived quality of the product/service and the monetary sacrifice in purchasing the product/service constituted the essential components of the value attributed to the product or service itself. Essentially, the perceived value of the consumer is the relationship between the perceived quality and the monetary sacrifice, supported against the payment of the price (Monroe, 1992).

### **2.1.2 Emotional response**

Emotional value is the utility derived from the feelings or affective states that a product/service generates (Sweeney & Soutar, 2001). Emotional response focuses on the value created by involvement in an experience and the new knowledge gained by consuming the tourism product or service. According to Sparks *et al.* (2008), Polo *et al.*, (2012), the emotional response dimension is relatively uncommon in tourism studies relating to perceived value. Anuwichanont & Mechinda (2009), Sanchez-Garcia & Iniesta-Bonillo (2007) acknowledge quality as important dimensions of perceived value. The educational component is related to a sense of discovery and to learning which tourists experience during their holiday by coming into contact with a rural lifestyle, local culture, contact with nature, and the sustainability of the rural environment (Scaglione & Mendola, 2016). Therefore, emotional perception deals with shopping experience in the hotel industry.

### **2.1.2 Perceived price**

Price is the amount of money expected, required, or given in payment for a product and service (Swani & Yoo, 2010). There are two types of price. High-priced are market brands where image

is seen as the key factor. Low-priced brands tend to be purchased for utilitarian value, with the consumer relying on the perceived value for price. Consumers typically look for low prices of brands or substitutes to get the best value (Swani & Yoo, 2010). Organisation use channels such as coupons, apps, QR codes, text messages, links to information videos, and mobile display ads to compare prices among retailers and research products on their smart phones (Moosylvania, 2013). Therefore, perceived price and fairness plays an important role because price structure

### **2.2 Customer loyalty**

There has been an increasing interest in examining the factors that influences customer loyalty (Rabbanee *et al.*, 2012) which has been measured sometimes by either behavioural (repeat purchase) or attitudinal (positive word-of-mouth) evidence (Mandhachitara & Poolthong, 2011). According to the conceptual framework of Dick and Basu (1994), a true loyal customer is one who holds relatively positive attitudes towards the retailer and has high repeat purchase behaviour. In an ideal world, and consistent with the conceptual framework of Dick and Basu (1994), loyalty research should integrate both attitudinal and behavioural measures, since they complement each other in measuring customer loyalty (Rundle-Thiele & Bennett, 2001). Loyalty is also a kind of behaviour of repeating purchases, which reflexes consciously decision making for continuing purchase of a brand (Qaemi, 2012). Customer loyalty at times is operationalized as a behavioural measure and at other times as an attitude.

### **2.3 Destination equity**

Destination equity is a kind of value that an organization or product is named by it and increases customer loyalty and can lead to long-term advantages (Keller, 2003). According Aaker and Keller (1992) destination equity as a set of assets and liabilities linked to a brand, its name and symbol that adds to or subtracts from the value provided by a product or service to a firm and/or to that firm's customers. Destination image is a perception from brand, which reflexes in consumer mind by association of brain nodes. Brand image is not necessarily an objective and in terms of brand image, reality has less importance

than reality perception. Brand image of a service can be a subjective mine phenomena (Woodward, 2000).

Customer based destination equity is the differential effect brand knowledge has on consumer response to the marketing of that brand. Pike (2010) defined destination equity as the representation of the brand performance, which is measured in terms of financial performance on the company's balance sheet. The four major dimensions of brand equity further identified are destination awareness, destination image, service quality and brand loyalty (Gartner & Ruzzier, 2011). Customer based brand equity can be measured by understanding of the impact of branding initiatives on consumer learning and brand recall. Destination Awareness is awareness about a particular tourist destination or its brand name in the mind of the tourist (Dahiya & Batra, 2017). They also affirmed that destination Image represents the opinions of the tourists towards a particular destination brand. It is influenced by the marketing activities of the tourist destination, based on experience & word of mouth from other people.

#### **2.4 Brand name**

Brand is an exclusive name which indicates product to the market. The legal term for brand is trademark. More and more firms realize that one of their most priceless assets is the brand name related to their products or services (Cornelis, 2010). All assets (or debts) of brand is provided in linked with name and symbol of tourism destination, which increase (or decrease) in value of services (Boo & Baloglu, 2008). Users prefer a widely accepted brand as it reflects a unique status symbol that displays information quickly with minimal aggravation and clean graphical interface for touch screen interactions. Khasawneh and Hasouneh (2010) found that the brand name influenced consumers' evaluation and subsequently affected their decision. Therefore, brand name should be managed very well in order to gain and retain customer loyalty. When customers become satisfied with a particular brand, they become loyal to it there by making

them repeat purchase over a long period of time, hence promoting the brand name.

Brand name therefore, is the shorthand device for all that the brand stands for. Not only does it serve to identify the brand, it should also trigger the brand proposition in the customers mind. Brand name should be managed very well in order to gain and retain customer loyalty (Yeboah *et al.*, 2013). When customers become satisfied with a particular brand, they become loyal to it there by making them repeat purchase over a long period of time, hence promoting the brand name.

### **2.5 Hypothesis Development**

#### **2.5.1 Perceived value and customer Loyalty**

The relationship between customer perceived value and customer loyalty has been examined in many studies and indicates that customer perceived value has a direct and positive impact on customer loyalty (Chen & Tsai, 2008; Eid, 2015; El-adly & Eid, 2016; Pan, Sheng & Xie 2012; Rahman, *et al.*, 2016). Customer perceived-value is defined as the perception about quality, social psychology, benefit and money (Bishop, 1984; Velimirović, *et al.*, 2011). Studies have examined the influence of perceived value on customers' purchase intentions (Lin, *et al.*, 2005, Eggert & Ulaga, 2002, Petrick, 2002). Perceived value has positive relationship (Bauer *et al.*, 2006) which has been shown to cause loyalty among the customers. Lin and Wang (2006); Tung (2004) found positive relationship among perceived value and customer satisfaction. Many research scholars also found direct relationship of perceived value with word-of-mouth communication and repurchase intentions (Lin *et al.*, 2005, Cronin, Brady and Hult 2000). There is also positive association found between consumer- perceived value and customer loyalty (Yang & Peterson, 2004; Sirdeshmukh, *et al.*, 2002). Therefore, it hypothesized that:

*H1. The perceived value has a positive impact on customer loyalty.*

### **2.5.2 Perceived value and Brand Name**

It has been argued that when perceived value goes down, customers are more likely to switch to rival brands, indicating a decline in loyalty (Anderson & Srinivasan, 2003). Al-Sabbahy, *et al* (2002). According to theory, perceived value is correlated to behavioural intentions. Hence, behavioural intentions were detected using two questions asking about the return and recommendation intentions. Customer perceived value has a significant positive effect on both customer satisfaction and customer loyalty to malls (El-Adly & Eid, 2016). Thus, it is hypothesized that;  
*H2: perceived value has significant impact on Brand Name.*

### **2.5.3 Brand Name and customer Loyalty**

Brand name is also expected to positively influence buyers' internal reference prices. Monroe, Grewal, and Compeau (1991) noted that people form an internal reference price scale based on past experience with stimuli. One component of past experience would be recognition of a brand name. Thus, even when consumers have not had direct experience with a product, exposure to the brand name gives them a certain degree of familiarity. Research evidence supports a positive relationship between brand name and internal reference price (Bearden, *et al.*, 1984, Biswas & Edward 1991). Brand names may also affect buyers by influencing their internal reference prices through their perceptions of merchandise or brand quality. Keaveney and Hunt, (1992) affirmed that brand name represents an organizational abstract, gestalt nature, and is a form of the category-based processing perspective of store image. That is, past studies have investigated the relationships between actual price and quality (Rao & Monroe 1989), it is propose that the same relationship holds for internal reference price and perceived quality. Yeboah, *et al.*, (2013) affirmed brand name does not really contribute to customer loyalty. Other factors such as the quality, price, availability, and sales promotion also contribute to customer loyalty (Mohamad, *et al.*, 2017). Thus, brand names are likely to have both a direct and an indirect effect on customer loyalty. It is hypothesized that;  
*H3: there is significant impact of brand name on customer loyalty.*

### **2.5.4 Moderating effects of destination equity**

Many studies found that positive images of destination influence destination loyalty (Hennig-Thurau, *et al.*, 2002), and intention to revisit (Gibson, *et al.*, 2008, Kaplannidou & Vogt, 2007). Brand equity should result in biased processing of information, persistent attitudes or beliefs that are, resistance to change and behaviours that are influenced by those beliefs. Spa tourists or customers who possess high level of destination equity; that is having aware of destination and having positive images, are more likely to process information about spa services favourably and to display relatively higher loyalty toward spa services industry. Consistent with Raggio and Leone (2007), they indicate that brand equity acts as a moderating effect between marketing activities and brand value. As a consequence, it is hypothesize that:

*H4: Destination equity moderates the relationship between perceived value and customer loyalty.*

### **2.5.5 Mediating Role of Brand Name**

As markets become more fragmented, stores continually adjust their positioning strategies, altering their image, in order to remain competitive. For instance, millions of dollars are spent each year by retailers designing, building and refurbishing organization. This is, at least in part, because they want to portray an image that is appealing to their current and potential customers. Darden, *et al.*, (1983) found that consumers' beliefs about the physical attractiveness of an organization had a high correlation with patronage intentions. The brand name is an information-rich cue to its image. Mention of the organizational name thus evokes a vivid brand image in consumers' minds.

Zimmer and Golden (1988) found that consumers sometimes used store names to describe a prototypical organization. The brand name represents an organizational abstract, gestalt nature, and is a form of the category-based processing perspective of store image suggested by (Keaveney & Hunt, 1992). It is argue that, as a customer loyalty increases with the strength of its brand name, so as a brand name will mediate positively between perceived value and customer loyalty. In addition to the direct relationship with

loyalty, other researchers indicate that the relationship between customer's perceived value and loyalty could be better explained by presenting satisfaction as a mediating factor (Lam *et al.*, 2004). Therefore, it is hypothesized that;  
*H5: Brand Name mediates the relationship between perceived value and customer loyalty.*

**3. METHODOLOGY**

Cross-sectional survey research design was used for the study. The population of the study consisted of customers of 63 hotels within Jimeta metropolitan. The justification for selecting these hotels is because of location, brand name and the modern facilities available in the hotels. Since this study used modelling as method of data analysis, Cohen, 1998 power analysis method of determining sample size was used. Therefore, the targeted sample was 500 hotel customers available within period of study. Out 500 questionnaires distributed 400 questionnaires were return and 364 useful questionnaires were used for analysis. A two-stage sampling technique was used in this study to select four hotels. First stage a judgmental (also referred to as purposive) sampling was used to select respondents that can provide accurate information relevant to the study. In this study, infants, customers that cannot read nor write, and customers with obvious health challenges were excluded. Lastly, convenience sampling was used to distribute the questionnaire to those that are accessible. The study used primary methods of data collection. Primary data was obtained using questionnaires while the questionnaire was made up of structured questions and Questionnaire was designed in 5 point Likert scale. Structural equation modelling was employed using Partial Lease Square Structural Equisatin Modeling.

Perceived value was measured by using 13-item scale of three dimensions as adapted and modified from previous study, (Petrick, 2002). To measure destination equity which comprises two dimensions (awareness and image) was measured using seven items as adapted (Konecnik, 2006, Yoo, *et al.*, 2000). Brand name was measure with four items as adapted from (Doney & cannon, 1997). Loyalty was measured using five items as adapted and modified from previous study of (Pritchard, *et al.*, 1999)

Partial Least Square Structural Equation Modelling (PLS - SEM) was used to analyze the data with the help of Smart-PLS Version 3.2.8. The collected data was subject to some data preparation which involves editing, coding and data entry before being summarized the data Using SPSS Version 25.

**4. RESULTS AND DISCUSSION**

**4.1 Measurement model**

The measurement model is the part of the model that examines the relationship between the latent variables and their measures. The measurement model satisfied the measurement invariance, various reliability, and validity statistical analyses.

**4.2 Construct Reliability and Validity**

Construct Reliability and Validity Measures the extent to which items in a construct clusters together to reflect the construct they are supposed to be measuring. (Carlson & Herdman, 2012).Construct reliability in PLS includes Cronbach's Alpha, rho\_A, composite reliability and average variance extracted (AVE). AVE values are expected to be 0.5 and above, while composite reliability should be 0.7 and above (Hair, *et al.*, 2014). Figures in Table 1 shows that the AVEs and composite reliabilities for all the first-order constructs satisfy the requirements.

**Table 1: Construct Reliability and Validity**

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
BN	0.752	0.768	0.856	0.665
CL	0.783	0.843	0.841	0.516
DEDA	0.736	0.835	0.847	0.656
DEDI	0.759	0.760	0.862	0.675

PVERD	0.806	0.824	0.867	0.568
PVPD	0.815	0.879	0.875	0.639
PVQD	0.805	0.821	0.871	0.628

### 4.3 Discriminant Validity

Discriminant validity shows the extent that different constructs are detail from one another (Carlson & Herdman, 2012). Discriminant Validity is checked through item such as Fornell-Larcker Criterion in Table 2, cross-loadings and the squared root of AVE. The assessment of cross loadings shows that the items are distinct from one another, as there are no obvious cross-loadings and Heterotrait-Monotrait Ratio (HTMT) in Table 3

**Table 2: Fornell-Larcker Criterion**

	BN	CL	DEDA	DEDI	PVERD	PVPD	PVQD
BN	0.815						
CL	0.628	0.718					
DEDA	0.276	0.212	0.810				
DEDI	0.666	0.558	0.188	0.822			
PVERD	0.657	0.615	0.182	0.756	0.754		
PVPD	0.327	0.219	0.350	0.337	0.255	0.799	
PVQD	0.617	0.583	0.158	0.644	0.734	0.294	0.793

**Table 3: Heterotrait-Monotrait Ratio (HTMT)**

	BN	CL	DEDA	DEDI	PVERD	PVPD	PVQD
BN							
CL	0.700						
DEDA	0.417	0.271					
DEDI	0.867	0.663	0.312				
PVERD	0.838	0.724	0.280	0.858			
PVPD	0.382	0.228	0.519	0.418	0.288		
PVQD	0.784	0.700	0.283	0.812	0.915	0.324	

### 4.4 Bootstrapping

Bootstrapping is a method to lessen the confidence intervals and the standard errors of the estimated model. Bootstrapping is a non-parametric approach to obtain inference statistics for model parameter estimates. Smart PLS 3.2.8 provides error probabilities and confidence intervals for path coefficients as well as indirect and total effect. In addition, it provides t-values for loadings and weights, as well as inference statistics for the HTMT (Henseler, 2017). Users are asked to determine the number of bootstrap

samples. A good default value is 5000 bootstrap samples. This number is sufficiently close to infinity for usual situations, is tractable with regard to computation time, and allows for a unanimous determination of empirical bootstrap confidence intervals. To measure whether the standardized regression weights are significant, the boot-strapping test was run. Instead of regression weight or loading, this test provides t-statistics and significance level. Anything greater 1.96 is significant at 0.05 level or 95 percent confidence level see Figure 2.1.



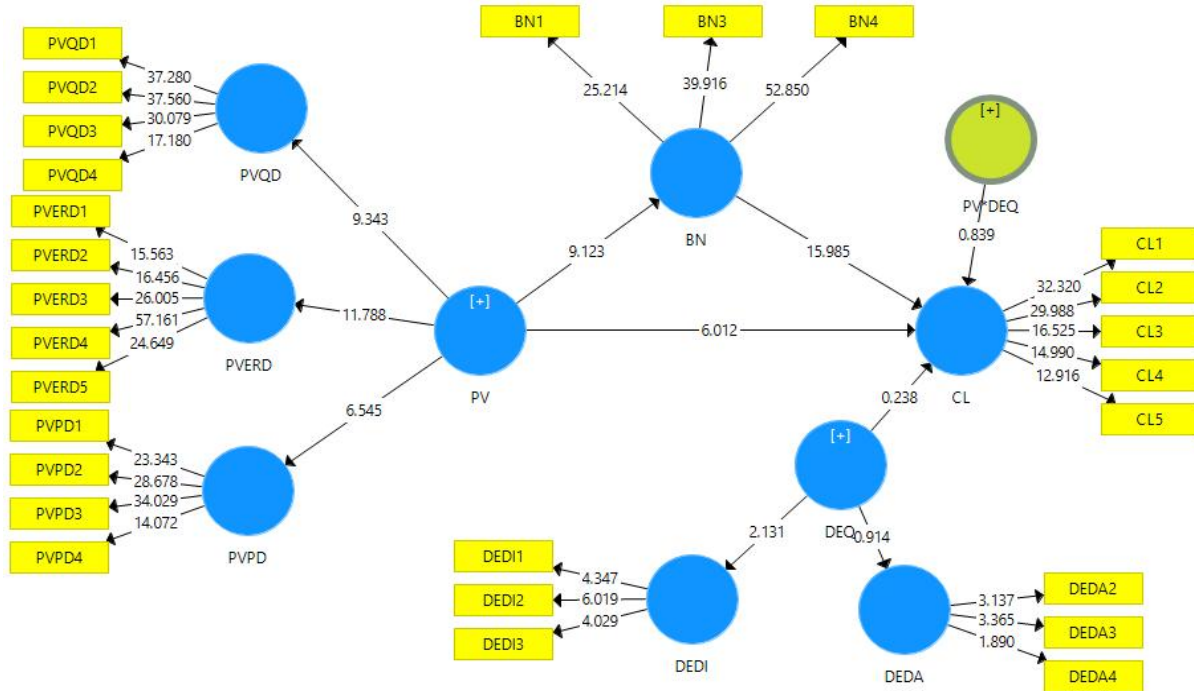


Figure 1: Structural Model for the Study

4.5 Structural model analysis

As part of structural model analysis, it is important to check for collinearity among the major constructs in the research. It is required that the variance inflation factor (VIF) should be less than 5. Otherwise, collinearity problem exists in the data. The results on Table 4, showed a parsimonious model after post-hoc modification with SRMR = 0.063, d\_ ULS = 3.773, d\_ G =

1.046, Chi-Square = 2,105.311, NFI = 0.632 the parameter estimates and their significance (Ringle, 2016).To prove for collinearity among the predictors, the VIF (variance inflation factor) were calculated. All VIF values are within the tolerable threshold 10 (Hair et al, 2014).The collinearity diagnostics was carried out and its shows VIF values are less than 5.

Table 4: Model Fit

	Saturated Model	Estimated Model
SRMR	0.063	0.065
d_ ULS	3.773	21.821
d_ G	1.046	1.649
Chi-Square	2,105.311	2,906.029
NFI	0.632	0.492

4.6 Test of Hypothesis

Based on Table 5 the relationship between PV -> BN is significant with T Statistics 9.123 and P<0.005, PV -> CL is significant with T Statistics 12.403and P<0.005 and BN -> CL is significant with T Statistics 15.985 and P< 0.005.



**Table 5: Hypotheses Testing for Direct Relationships**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
PV -> BN	0.407	0.409	0.045	9.123	0.000
PV -> CL	0.446	0.450	0.036	12.403	0.000
BN -> CL	0.534	0.536	0.033	15.985	0.000

**4.7 Test for Moderating Effect**

The moderating role, the interaction item to test the moderating role of destination equity on the relationship between perceived value and customer loyalty shows that the standardized coefficient of the interaction it (PV\*DEQ -> CL) has T-value 0.839 and P>0.005, which means that destination equity does not moderate the relationship between perceived value and customer loyalty see Table 6.

**Table 6: Hypothesis testing for Moderating Role of Destination Equity**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
PV*DEQ -> CL	-0.036	-0.034	0.042	0.839	0.402

**4.8 Testing of Mediating Effect**

As stated by Baron and Kenny (1986), Hayes (2009), Zhao (2010) when a variable is full mediator, its direct effect on the relationship between independent variable and dependent variable is significant before adding mediator but is not significant after adding it although indirect or total effect must be significant. However, Baron and Kenny’s (1986) approach is often criticized. For that reason this study used product

of coefficient approach to test the mediating effect as recommended by (Nitzl, *et al.*, 2016) On the other hand, when a variable is a partial mediator, the significant direct effect of the relationship between independent variable and dependent variable is weakened when a mediator variable is added. The third case is indirect mediation, where there is no significant direct effect before or after adding the mediator; but the indirect or total effect is significant see Table 7.

**Table 7: Total Direct Effect**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
PV -> CL	0.446	0.450	0.036	12.403	0.000

The significance of total effect of the direct path can be compared before and after adding brand name to the inner model, by comparing T-statistics from table 9 and table 10 T-statistic of the path between perceived value and customer loyalty before adding brand name is 12.403 which

is more than 1.96, so it is significant. The T-statistics of the same path after adding brand name is 8.244; still significant but is weakened so brand name is a partial mediator of the relationship between perceived value and customer loyalty.

**Table 8.Total indirect effect**

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
PV -> BN -> CL	0.217	0.219	0.026	8.244	0.000

### 5. Discussion of Findings

The finding of this study reveal that perceived value has significant impact on brand name. The findings is in line with the study of HaiQuynh, *et al.*, (2018) who conducted a study on the Influence of Perceived Value, Brand Image and Corporate Reputation on Customer Engagement and Customer Loyalty and affirm that proposed factors positively affect CE and the direct influences of perceived value and customer satisfaction on customer engagement were comparable. The findings also revealed that the influence of customer satisfaction on customer engagement was the highest.

Based on the finding on table 4.9 perceived value has significant impact on customer loyalty this study is in line with the studies of Chen and Tsai, (2008); Eid, (2015); El-adly, and Eid, (2016) pan *et al.*,(2012); Rahman *et al.*,(2016) which indicates that customer perceived value has a direct and positive impact on customer loyalty.

Similarly, brand name has significant impact on customer loyalty. This study is in line with research evidence supports a positive relationship between brand name and internal reference price (Bearden, *et al.*, 1984; Biswas, *et al.*, 1993). Additionally, brand names may also affect buyers by influencing their internal reference prices through their perceptions of merchandise or brand quality. That is, past studies have investigated the relationships between actual price and quality (Rao & Monroe 1989), it is propose that the same relationship (or price-quality mapping) holds for internal reference price and perceived quality. Also this study is not in line with study of Yeboah, *et al.*, (2013) who affirm that brand name does not really contribute to customer loyalty. This may be as a result of difference in organization or the environment where the study was conducted.

Based on the outcomes of moderating role of destination equity on the relationship between

perceived value and customer loyalty in this study, destination equity has no moderating effect on the relationship between perceived value and customer loyalty. This study is in line with study of Qaemi (2012) who conducted a study on an empirical survey on perceived value from tourism destination based on brand equity model: A case study of Qeshm Island and affirmed no moderating effect of destination equity. Finally, brand name partially mediates the relation between perceived value and customer loyalty. This study consistence with the study of Keaveney and Hunt, (1992) who indicated that brand name represents an organizational abstract, gestalt nature, and is a form of the category-based processing perspective of store image. Also, customer loyalty increases with the strength of its brand name, so as a brand name will mediate positively between perceived value and customer loyalty.

### 6. Conclusions

It can be concluded that three dimensions of perceived value have an impact on brand name and has impact on customer. Considering the relative importance of each dimensions of perceived value, reputation, emotional value, becomes the most important, followed by the quality dimension and monetary price respectively. The result is not consistent with empirical studies (Anuwichanont & Mechinda, 2009; Sanchez-Garcia & Iniesta-Bonillo, 2007) who acknowledge quality as important dimensions of perceived value since reputation; emotional value is what recorded as important in this study. The reputation is consistent with social value, the way the service is perceived as having status or not. Emotional value is undeniable attribute since all hotel customers not only seek treatment but also seek sense of happiness.

Moreover, the finding has not support the moderating role of destination equity on the link from perceived value to loyalty. When destination

is perceived as having high equity, the more likely it is for the product sold by destination to be favoured by customers. People's beliefs about a specific country affect their behaviour in relation with products originating in this country (Parameswaran & Pisharodi, 1994). Finally, the findings supported the mediating effect of brand name on the relationship between perceived value and customer loyalty.

### **7. Implication**

This study on perceived value, destination equity, brand name and customer loyalty contribute to the body of knowledge on perceived value, brand name, destination equity and customer loyalty by providing empirical evidence of the effect of specific perceived value on customer loyalty; mediating role of brand name and moderating effect of destination equity. This study contributes to perceived knowledge, research and policy framework. The study highlights the importance of perceived value, brand name and destination equity in pursuit of increased customer loyalty. Lastly the study also contributes to the body of knowledge by providing a framework that integrates perceived value, brand name and destination equity and customer loyalty into one.

From the findings of this study meaningful implications for hotel managers are also derived. First, hotel managers could understand the dimensions and aspects of perceived value that customers appreciate and request through the current study of the validated perceived model. Hotel managers may use this understanding to develop a standard measurement scale to measure customer satisfaction. Perceived value model could facilitate a comparison and benchmarking between hotels and enhance their service quality performance. Second, because this study confirmed that perceived value has a significant positive effect on customer satisfaction and loyalty, Hotel managers should invest in the quality of their hotels because doing so will add value and is critical to retaining existing customers and to attract potential customers. On a further note, hotel managers should also pay attention to environmental management activities that could help enhance the hotel image and, thus, perceived value and satisfaction in the eyes of their customers.

### **8. Recommendations**

Based on the findings from the study, the following recommendations are to be considered and implemented by relevant parties. To allow for increased customer loyalty, the variables of perceived value namely quality, emotional response and price considered by hotel industries and it should be modelled such that the managers can employ it for their hotel operations. Quality and price dimensions should be given proper attention with concerted efforts made to integrate it to the operations of the hotel industries as they are vital for increasing the customer loyalty. The brand name of the hotel should be customer driven and capable of improving their market capability and acceptance. the hotels brand name should be in line with customers' needs through an efficient thereby positively influencing the customer loyalty. Considering the importance of perceived value to customer loyalty; moderating effect of destination equity and mediating role of brand name, hotels as a matter of policy should ensure that their customers are knowledgeable about it and it is enforced in their operations.

The study suggests the following direction to future researchers. Given that this study focused only on hotel industry in Adamawa state, the study recommends that a similar study be conducted in among hotel industries nationwide and studies should be conducted on other industry countrywide with a view to broadening the scope of knowledge and for comparison among sectors. Also, the study suggests further research should investigate other dimensions of perceived value on customer loyalty. Despite the widely held view that perceived value lends to customer loyalty, brand name partially mediate the relationship between perceived value and customer loyalty empirical studies and analysis to support this concept especially in hotel industry is limited and not conclusive.

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# Effect of Business Process Re-engineering on The Performance of Selected Deposit Money Banks on Makurdi Metropolis

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## ABSTRACT

*This study examines the effect of business process reengineering on the performance of selected Deposit Money Banks in Makurdi metropolis. The study specifically examines the effect of radical change, information technology and financial resources on the performance variables of growth and profitability of deposit money banks in Makurdi metropolis. A survey design was adopted for the study and questionnaire was used for data collection. The population of the study consists of 63 management staff of selected Deposit Money Banks in Makurdi Metropolis. A census sampling approach was adopted for the study. Multiple regression was used for data analysis and test of hypotheses using the Statistical Package for Social Sciences (SPSS 16). Findings of the study revealed that radical change, information technology and financial resources have a significant effect on the performance of deposit money banks in Makurdi metropolis (.000, .004, .027, .000). The study concluded that fair process changes, with appropriate allocation of resources and fair deployment of information technology will result in increase in profitability and growth of deposit money banks in Makurdi metropolis. The study recommended amongst others that management of deposit money banks should employ innovative management strategies tailored towards aggressive marketing of banking services in order to enhance the availability of financial resources hence the availability of financial resources determine the growth and profitability of the DMBs and that management of deposit money banks should invest heavily in information technology since it has the potential of enhancing both growth and profitability of the deposit money banks.*

**Key Words:** Radical Change, Information Technology, Financial Resources, Organizational Performance

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## **Introduction**

Many changes have taken place in the business environment since the early 1960's and the banking industry is not an exception. Some of these changes in the banking industry are occasioned by macroeconomic trends, globalization, deregulation, and advances in technology escalating competition. These changes have forced many banking organizations to espouse Business Process Reengineering (BPR) as a way of improving the services delivered to their customers so as to enhance their performance. Business organizations all over the world have one or more goals to achieve ranging from growth to profitability attainment amongst others.

Business process reengineering is an effective tool that enables deposit Money Banks to enhance not just efficiency and profitability but overall performance of the organization. Business process reengineering is one of the major change management approaches that focus on doing things in a better way that is clearer and easier to achieve a radical improvement on quality, speed, customer service, and reduction in cost. Business process reengineering is referred to as core process redesign; new industrial engineering or working smarter. The goal of business process reengineering is to redesign and change the existing business practices or processes to achieve dramatic improvement in the organization (Olubayo, 2020).

The banking industry has remained the economic engine of every society and the making of profits is a primary responsibility and thus to survive in this turbulent environment, Deposit Money Banks have had to adapt to change and to incorporate change in their operations in order to remain competitive (Henderson, 2005). In this 21<sup>st</sup> century, banking organizations, knowingly or otherwise, are involved in business process reengineering. The pressure for survival in the market and the desire of organizations to close competitive gaps and achieving superior performance standards have prompted them to adapt business process reengineering technique ((Olubayo, 2020; Tabitha, 2014; Al-Mashara, Iran, & Zairi, 2001).

The concept of business process reengineering has been traced to the early 1990s' when it received tremendous attention in both academic and management literature and it is now a popular management approach. Specifically, Michael Hammer developed this concept in 1990, in which he claimed that the major challenge for managers is to destroy non-value adding work. Hammer's (1990) claim was that, most of the work being done does not add any value for customers, and this work should be removed, not accelerated through automation. Instead, organizations should reconsider their processes in order to maximize customer value, while minimizing the consumption of resources required for delivering their product or service (Chepkorir, 2018).

Organizational performance is the ability of an organization to fulfill its mission through sound management, strong governance and a persistent rededication to achieving results. Organizational performance covers two specific areas of the firm outcomes: Financial Performance (profitability) and non-financial performance (growth, productivity, and quality of service) (Ricardo, 2009).

Business Process Reengineering models have been identified by different scholars. Bako and Banmeke (2019) identified four dimensions to include innovative thinking, process management, radical change and information technology. Similarly, Chepkorir (2018) identified four dimensions of innovative thinking, process function, information technology and radical change while Gibson, Forbes and Darlinton (2019) identified four dimensions to include information technology, change culture, employee commitment and financial resources. These models developed suggest several dimensions, whose definitions and meaning overlap to a great extent. For the purpose of this study three out of six dimensions of business process reengineering from the works of Chepkorir (2018) and Forbes, Gibson and Darlinton (2019); financial resources, information technology and radical change were adapted as independent variables to ascertain its applicability in Nigerian Listed deposit money

banks. The other dimension of BPR which are process function, employee's commitment and innovative rethinking were eliminated because there are not strong enough. The variables (constructs) have low factor loading. As a rule of thumb, variables should have a rotated factor loading of at least 0.6 onto one of the factors in order to be considered important (Mertler & Charles, 2009). Measures of performance in this study were limited to profitability (Return on Equity) and growth as dependent variables. Other performance indicators such as service quality and productivity were eliminated because they have a weak factor loading. These dimensions have been linked to the performance of banking industry (Bako and Banmeke, 2019).

Nigerian Banking industry is a product of the service sector of the Nigerian economy like other economies of the world. It has increasingly assumed and is playing a major role in most economies of the world for citizens who are living in increasingly service-based economies (Emakwu, 2019). The banking sector and deposit money banks in particular are facing hard times as a result of hectic competition. Deposit money banks that are able to render quality services are likely to maintain a strong customer base than others. On the other hand unstable financial times, related to liquidity, inflation, exchange rate, credit, loans, cash flow and interest rate, so banks need to establish procedures and tools in order to overcome these challenges and enhance their performance and survive in this turbulent economic conditions. Bako and Banmeke (2019) established that business process reengineering has a significant impact on bank performance. Many banks in Nigeria have a vested interest in implementing Business Process Reengineering BPR. While BPR has been heavily researched in recent years, researchers have used different dimensions to explain the concept. While few studies have been carried out on the effect business process reengineering on the performance of the Nigerian banking industry, studies on effect of business process reengineering on the performance deposit money banks in Makurdi Metropolis are scanty. This study tries to fill this gap by empirically investigating the effect of business process reengineering on the

performance of deposit money banks in Makurdi metropolis.

### **Objectives of the Study**

The main objective of this study was to investigate the effect of business process reengineering on the performance of deposit money banks in Makurdi metropolis. The specific objectives are to:

- i. determine the effect of financial resources on the performance variables of profitability and growth of deposit money banks in Makurdi metropolis
- ii. examine the effect of information technology the performance variables of profitability and growth of deposit money banks in Makurdi metropolis
- iii. investigate the effect of radical change on the performance variables of profitability and growth of deposit money banks in Makurdi metropolis

### **Research Hypotheses**

The following null hypotheses have been formulated for the study:

- i. financial resources has no significant effect on the profitability of deposit money banks in Makurdi metropolis
- ii. Information technology has no significant effect on the profitability of deposit money banks in Makurdi metropolis.
- iii. Radical change has no significant effect on the profitability of deposit money banks on in Makurdi metropolis
- iv. Financial resources has no significant effect on the growth of deposit money banks in Makurdi metropolis
- v. Information technology has no significant effect on the growth of deposit money banks.
- vi. Radical change has no significant effect on the growth of deposit money banks in Makurdi metropolis.

### **Review of Related Literature Review**

#### **Concept of Business Process Reengineering**

Hammer and Champy (2009) define Business Process Reengineering (BPR) as the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical contemporary measures of performance, such as cost, quality, service, and speed. The

aspect of radical thinking was also upheld by Mekonnen (2019) who notes that business process reengineering is a radical process of developing a new system from scratch. Business process reengineering calls for radicalization of the core business processes to achieve dramatic improvements in business performance (Amanquah & Adjei, 2013). Oladimeji, Akingunola and Sanusi (2017) see business process reengineering as a set of activities that transform a set of complex business activities or old inputs into friendly and easy to use interrelated set of activities through information technology, to produce outputs for another person or process using people and equipment. Acharya (2015) define business process reengineering as a fundamental rethinking and radical redesigned of a business process to obtain dramatic and sustained improvements in quality, cost, service, lead time, flexibility and innovation. Acharya adds that business process reengineering is a transformation as opposed to "change" that alters the basic rhythm and character of the organization.

### **Dimensions of Business Process Reengineering**

#### **Innovative Rethinking**

Innovative rethinking dimension is considered as the valuable asset so that firms can attain and sustain a competitive advantage and in the implementation of the entire strategy (Rajapathirana & Hui, 2017). The capability of innovation facilitates firms to introduce new products quickly and adopt new systems. Innovative rethinking is the idea for developing new products that satisfy market needs (Olubayo, 2020). The study sees innovative thinking as the capacity of applying appropriate process technologies in producing new products to meet the demand of the market.

#### **Process Function**

Process Function dimension refers to a collection of activities that take one or more kinds of input and creates an output that is of value to the customer. Process function includes the modification of tools or equipment, and operational procedures, and requires the ability to transform knowledge into skill across the entire

process. Process function is determined by previous investment in knowledge that is either internal or external, and involves choosing the technical activity to exploit opportunities (Widya-Hasuti, Mardani, Streimikiene, Sharifara & Cavallaro, 2018). Process function is therefore seen as the role played by each process involved in organizational activities.

#### **Financial Resources**

Financial resource refers to funds which may come from the family in business, extended networks, and from commercial banks or other financial institutions or equity infusion from existing source (Coleman, 2007). In this context, it is referred to as funds from commercial banks, retained profits and other means of finance available for an organization. Financial resource can be sourced from formal and informal sources retained profits and other means of finance available for an organization (White, Maru & Boit, 2015).

#### **Information Technology**

The information technology relates to the extent to which companies use modern systems (especially computers and telecommunications) for storing, retrieving, and sending information which is necessary for BPR implementation (Martin, 2011). Information technology relates to both hardware and software (Zaini & Saad, 2019). It is hypothesised that where effective information technology is applied, BPR implementation is more likely to be enhanced. Information technology offers facilitating conditions for BPR to take off effectively (Bradley, Brown, Jackson & Jagdev, 2019). The Model of BPR fit places information technology at the centre of all BPR determinants because it intertwines all other determinants of BPR (Mulilima, 2018).

#### **Radical Change**

The radical change dimension relates to the total transformation of organizational element and it is essential to organizations' survival. Change leads to new ideas, technology, innovation and improvement (Oluwasanya, 2014). Radical change leads to total change in organizational processes, re-architecting of business and



management processes. It involves the redrawing of organizational boundaries, the reconsideration of jobs, tasks, and skills. (Chepkorir, 2018). Therefore, it is important that organizations recognize the need for change and learn to manage the process effectively.

### **Concept of Organizational Performance**

Organizational performance comprises the actual output of an organization as a measure against inputs. Organizational performance in this study refers to the level of increase or decrease of bank performance with regards to financial and non-financial performance indicators. The financial indicator here is profitability (Return on Equity, ROE, Return on Assets, ROA and percentage change in earnings per share while the non-financial indicators are growth, quality of service, and productivity. Traditionally, most banks use the quantitative financial ratios such as Return on Assets (ROA), Return on Equity (ROE), and the Net Interest Margin (NIM) such as banks liquidity, profitability, cost efficiency, quality of assets and adequate capitalization to measure their performance (Ndubis & Nwankwo, 2019).

### **Measures of Performance**

i. **Growth:** Every organization whether manufacturing or service concern aspire to grow. Growth potential can be gauged from an organizational plan movement into new market, the development of new product/service, the employment of more effective marketing techniques or methods that grow a business from a niche market to a more volume operation. According to Encyclopedia Britannia (2017) growth takes place when there is an increase in size or amount of an entity. It is usually associated with increase in total assets and the rate of physical growth and expansion of a firm.

ii. **Profitability:** Profitability refers to money that a firm can produce with the resources it has. The goal of most organization is profit maximization (Niresh & Velnampy, 2014). Profitability involves the capacity to make benefits from all the business operations of an organization, firm or company (Muya & Gathogo, 2016). Profit usually acts as the entrepreneur's reward for his/her investment. As a matter of fact, profit is the main motivator of an entrepreneur for doing business. Profit is also

used as an index for performance measuring of a business (Ogbadu, 2009). Profit is the difference between revenue received from sales and total costs which includes material costs, labor and so on. Profitability can be expressed either by accounting profits or economic profits and it is the main goal of a business venture (Anene, 2014).

### **Theoretical Framework**

This study is anchored on resource-based view theory. This theory was propounded by Penrose in 1959 but expanded by Wernerfelt in 1986. Resource Based View (RBV) theory believes that organization can have a superior performance through its resources and capabilities that are uncommon and difficult to imitate. The RBV emphasizes the firm's resources as the fundamental determinants of competitive advantage and performance (Oladimeji, Allingunola & Sanusi. 2017).

Resource-Based View Theory proposes that organizations gain competitive advantage by deploying valuable bundle of resources and capabilities that are inelastic in supply (Afiouni 2007;Njagi, Muathe, & Muchemi,2018). The resource-based theory can be traced way back to the postulation of Penrose (1959) seminal work. Grunert and Hildebrandt (2004) concurred with Penrose (1959) seminal works that the services delivered to clients by an organization are a function of the way resources are used. The central premise of RBV is that firms compete on the basis of the resources at their disposal (Peteraf & Barney, 2003).

The RBV theory argues that firms have three categories of resources which range from physical capital, human capital to organisational capital (Mutuvi, 2013). O'Sullivan (2011) opines organizations should exploit all sources of competitive advantage in order to develop unique strategies which can yield customer value. Studies have revealed that there are three assumptions of resource-based view theory that are the bases of competitive advantage and include: Resources and capabilities possessed by firms differ (resource heterogeneity) Resources and capabilities can be sources of sustainable competitive advantage if they are valuable and heterogeneously distributed across competing firms, and if the skills needed to

manage technical and market risks are perfectly immobile (Bordello, Ravarini, Wu & Nigam, 2012).

Resource based view theory is relevant to this study. It is used as a guiding theory as it is based on the idea that the effective and efficient application of all useful resources that bank can muster helps determines its competitive advantage. The theory is applicable to this study because the concept of reengineering traces its root back to this particular theory. The essence of the Resource Based Model in the study is that competitive advantage is created when resources that are owned exclusively by a bank are applied to develop unique competencies. Banks have to react to the environment by reengineering business processes since this will result in an alignment of the organizational objectives to the market needs and customer expectations

### **Empirical Studies**

Olubayo and Okunbanjo (2020) examined effects of business process reengineering (BRP) on organisational performance in the food and beverage industry in Nigeria. The study adopted survey research design and multistage sampling methods. It utilized primary data generated through a questionnaire for the research. Multiple regression analysis was employed to analyse the data. On the hypothesis one, the findings showed that organizational resources and process function have negative and insignificant effect on competitive advantage but innovative thinking has a positive and significant effect on competitive advantage. On the hypothesis two, all the components of business process reengineering (organizational resources, innovative thinking and process function) have positive and significant effect on operational performance. Thus, the study concluded that when organizational resources, innovative thinking and process function are combined together as business process reengineering components, they enhance organizational performance in the food and beverages industry in Nigeria. The study suggested that Food and Beverages firms should continue to formulate policies that will encourage innovative ideas from all stakeholders of the

organizations in order to continue to achieve competitive advantage and experience sound operational performance. The process function of the organization should continue to be designed and redesigned so that they enjoy smooth operational performance, obtain new resources and upgrade the existing ones so that the firms could achieve competitive advantage. The process function and organization resources need to be evaluated and appraised from time to time to know or detect any lapses that may hinder the firms from attaining their short and long term business goals.

Ann (2019) investigated business process re-engineering and organizational performance of selected commercial banks in Nairobi city County, Kenya. The main study objective was to establish influence of re-engineering practices of business process on Kenya commercial banks' organizational performance. Specifically, this research sought to initiate the impact of leadership change, customer focus, information technology and innovation on organizational performance of Nairobi County's commercial banks. The study scope was limited to Nairobi County commercial banks. The study focused on 43 commercial banks in Nairobi County. A descriptive research design was utilized for the study. A population of 1020 staff from the 43 commercial banks at Nairobi headquarters in Kenya was used, where a sample of 278 staff was selected. A descriptive design and stratified sampling were utilized for the research. The study utilized primary information. The data gathered was analysed using inferential and descriptive statistics. Multiple linear regressions was used. The study revealed that leadership change while maintaining all the other factors constant would positively change commercial banks' performance. Customer focus has a significance influence on commercial banks' performance. Most banks identify all their customers and address customer's complaint immediately. A change in information technology change while keeping other factors constant can affect commercial banks' performance. Most banks have introduced new technologies and adoption of m-commerce is growing fast in banks. A unit increase in innovation while holding all the

other factors constant would positively change commercial bank performance. The study recommended that firms need to invest in information technology and educate their employees on how to use the technologies to reduce operation costs, increase operation speed and improve service and product quality. The research also recommended that studies in the future need to focus on noncommercial banks since the current study was only limited to commercial banks in Kenya.

Bako and Banneke (2019) examined the impact of Business Process Reengineering (BPR) has on Organizational Performance focusing on Commercial Banks and Micro-finance Banks in Ilaro, Ogun state. The objective of the study was to uncover how BPR can help to effect innovative and strategic changes in the organization, to determine the impact of BPR on organizational performance; to assess the roles of information technology in the implementation of BPR for an organization to attain its goals and to determine how BPR can affect the service rendered by an organization. The data for this research work were obtained through primary and secondary sources where respondents were selected using simple random sampling technique and a survey was carried out on the staff of commercial banks and micro-finance banks in Ilaro. 124 answered questionnaires were returned by the respondents. The data was analyzed using multinomial regression analysis. From the findings, it showed that if returned P-value of multinomial regression model result is  $<0.05$  (0.05 being the level of significance) and vice versa, the returned P-value for all hypotheses tested was  $<0.05$ . So all the four alternative hypotheses tested were accepted. Therefore, business process reengineering has positive impact on organizational performance. The study recommended that organisation's incentive and reward system should be changed by considering benefits in respect of salary increment, promotion, empowerment and compensation.

Aysar (2019) investigated the effect of business process re-engineering on organizational performance: the Mediating role of Information and Communications Technology in the drivers and Vehicles License Department (DVLD) in

Jordan. From previous studies, five factors of BPR were adopted for this study, including "Ability to change, Selecting BPR Methodology, Organizational Culture, BPR strategic alignment, and Top management support ". ICT was used as an intermediary role for this structure to promote organizational performance. The sample of this study was all employees of the Drivers and Vehicles License Department (DVLD) operating in the central region, which included the areas of Amman, Balqa, Madaba and Zarqa governorates in the Hashemite Kingdom of Jordan as a simple random sample for this study. Total of (150) questionnaires were sent to these organizations. Total of (132) responses were returned to the questionnaire, and after the verification of the recovered questionnaires, (124) were found to be valid for analysis. The study used the PLS software to analyze the basic relationships amongst the most relevant combinations between BPR, ICT, and Organizational Performance with a total of five constructs. As a result of the findings of operational, middle, and top levels ( $n=124$ ) working in Drivers and Vehicles License Department (DVLD), it was awarded the King Abdullah II Award for Excellence in Jordan for 2018. It was found that there was a strong and statistically positive significant relationship between several variables of business process reengineering and organizational Performance by using the ICT as a mediating variable.

Obalam and Okocha (2018) surveyed the impact of business process reengineering on corporate performance of deposit money banks in Rivers State, Nigeria. This study adopted quantitative research design using a survey method. The research populace includes ten deposit money banks randomly chosen by the researcher. The frame of ten (10) respondents from each bank was studied through questionnaire dispensation. The Spearman Rank Order Correlation Coefficient statistical instrument was espoused in testing the connection between the factors under investigation. The study revealed a significant connection between innovative rethinking and growth of deposit money banks and there is a significant connection between process function and profitability of deposit money banks in Nigeria. The discoveries uncovered a noteworthy and positive connection between business process

re-engineering and corporate performance of deposit money banks. The study furnishes up with reasonable suggestion that deposit money bank executives ought to thoroughly grow new apparatus, new ideas, new association and the new attitudes to adapt to the stormy and clamorous situations prompting nonstop change which must be accomplished through successful and productive re-building of their business.

Chepkorir (2018) investigated the contribution of business process reengineering on customer service in Kenya commercial banks. Specific objectives encompassed; to determine the role of innovation rethinking on customer service, to investigate the influence of process function on customer service, to examine the role of information technology on customer service and to investigate the effect of radical change on customer satisfaction. The study applied technological determinism theory, institutional theory and resource based view theory. The study covered the period from 2017-2018. Descriptive research design was employed by the study. A target population of 34, which included managers, assistant managers, clerks and sales representatives. Questionnaire whose validity was determined through a pilot study, was used to collect data. Its reliability was computed using Cronbach's alpha. Both descriptive and inferential data analysis techniques were used with the aid of Statistical Package for Social Science. Analyzed data was presented by means of charts, graphs and frequency distribution tables. The study revealed that there is a significant effect of innovation rethinking on the Customer Service ( $F= 64.847$ ,  $P(0.010) < 0.05$ ), radical change significantly affects service delivery in commercial bank. The study recommended amongst others that bank should embrace innovation rethinking, process function, use of information technology and radical change to ensure that their customer service serves their clients efficiently and effectively. The study also recommended that team work be developed in the bank so that employees can support and exchange ideas and there will be easy flow of information, continuous trainings and dedication still needed from the bank to update and equip its employees.

Kabiru, Mohamed & Norlena (2012) studied the critical success factors for business process management for small and medium banks in Nigeria. The study employed survey research design, through the administration of structured questionnaire on banks. The target sample frame consists of Microfinance banks and Primary mortgage financial institution registered by Central bank of Nigeria. A total of 539 questionnaires were hand delivered with one questionnaire to each organization out of which 439 questionnaires were returned and 399 responses were found to be useable for further analysis making a valid response rate of 74%. Multiple regression was employed to test the research hypotheses. The finding from the study showed that, there is a significant relationship among information technology investment, personnel commitment, volume financial activities and overall organizational performance. The study recommended that in the search of organizational performance and competitive advantage, managers should not depend on a particular management technique but multiple management initiatives that are important for survival and success.

### **Methodology**

A survey design was adopted for this study. Surveys are mainly used in studies that have individual people as unit of analysis. This method is used because it allowed the researcher to collect different views of the respondents on the subject matter. The study selected three deposit money banks in Makurdi metropolis, Benue State namely First Bank of Nigeria Plc, United Bank for Africa (UBA), Eco Bank, and Guarantee Trust Bank Plc in Makurdi metropolis. The three banks were selected through the lottery method. In this method, the individual units are picked up from the entire population by a mere chance process and not deliberately. Under this method the researcher allocates a number to each unite in the universe. The numbers are usually on pieces of paper. These pieces of paper are mixed thoroughly in a container and withdrawn as a lottery by rotating a drum by blindfolding device. The population of the study consists of 63

management staff of Deposit Money Banks in Makurdi Metropolis. The study considers only management staff since they were in a better position to understand the subject matter under investigation. A census sampling method was adopted and the entire management staff serves as the sample for this study. This method is used since the target population is manageable. The study used a subjective measure of performance in view of this questionnaire was used as the instrument for data collection. The questionnaire was considered appropriate because it makes collection of opinions and measurement of attitudes in a large population possible. Validity and reliability of the instrument were carried out to ensure consistency of the measurement instrument. A pilot test was conducted on 26 respondents before the final instrument was distributed to the participants. The result of the reliability test shows that all the constructs have Cronbach's alpha which is greater than 0.70 as recommended by Nunnally and Bernstein (1978) and Solanki & Saxena, (2015). The result of the reliability was as follows: Financial Resources

(0.912), Radical Change (0.905) and Information Technology (0.823). Both inferential and descriptive statistics were used for data analysis. Quantitative data from the questionnaire were coded and entered into the computer for computation of descriptive statistics. Descriptive statistics such as frequency and percentages were for data presentation and analysis while formulated hypotheses were tested using multiple regression. Out of the 63 questionnaires issued out to respondents, 61 were answered correctly and returned.

**Model Specification**

This study conceptualizes the relationship between independent variables and dependent variables. The model consisted of Business Process Reengineering and Organisational Performance. Business Process Reengineering dimensions were Information Technology, Radical Change and Financial Resources while organisational Performance consisted of profitability and growth.

Independent variable = Business Process Reengineering

Dependent variable = Organisational Performance

The model of the study was given as:

$$Y = f(x) \text{-----(1)}$$

Where:

Y= Organisational Performance

X = Business Process Reengineering

Mathematically, the model is expressed as:

$$Y = \alpha + \beta x + e \text{----- (2)}$$

Where:

Y and X are as defined above

$\alpha$  = Constant

$\beta$  = Coefficient of x

e = Error term

Organisational Performance = Profitability and Growth

Organisational Performance = Profitability + Growth

Y = Profitability (Y<sub>1</sub>) + Growth (Y<sub>2</sub>)

Y = (Y<sub>1</sub> + Y<sub>2</sub>)

Business Process Reengineering = Financial Resources, Information Technology and Radical Change.

X = Financial Resources (X<sub>1</sub>) + Information Technology (X<sub>2</sub>) + Radical Change (X<sub>3</sub>)

Since there are two constructs for dependent variable represented by Y against the five constructs for independent variable represented by X, the multiple models were formulated as follows:

$$Y_1 = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \text{----- (3)}$$

$$Y_2 = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \text{----- (4)}$$

Where:



$\alpha$  = Constant  
 $\beta$  = Coefficient of x  
 e = Error term

**RESULTS AND DISCUSSION OF FINDINGS**

**Regression Analysis**

**Table 1: Model Summary 1**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.725 <sup>a</sup>	.526	.518	.842	1.572

a. Predictors: (Constant), Financial resources, Information technology, Radical change

b. Dependent Variable: Profitability

Source: Field Survey, 2021.

Regression was used to determine the extent to which a set of independent variables (financial resources, information technology, radical change) predicted the dependent variable (profitability). The results from Table 1 showed that a combination of financial resources, information technology and radical change significantly predicted up to 52.6 % of the variation in profitability ( $R^2 = .526$ ). The remaining 47.4 % unexplained variation in organisational performance is caused by other variables outside the regression model. The result from Table 1 also indicated the value of adjusted R-Square. The adjusted R-Square value was calculated which

took into account the number of variables in the model and the number of observations the model was based on. The adjusted R-square value (.518) gave the most useful measure of the success of the model. It also gave an idea of how well the model could be generalized, which implied the closer it was to R-square, the better.

Also, Durbin-Watson statistic was employed to determine the presence or absence of auto-correlation. For this model, the value of Durbin-Watson statistic was computed to be 1.572, which was reasonably closed to 2. This implied that there was no auto-correlation.

**Table 2 Analysis of Variance (ANOVA)1**

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	138.000	3	46.000	64.820	.000b
Residual	124.190	57	.710		
Total	262.190	60			

a. Dependent Variable: Profitability

b. Predictors: (Constant), Financial resources, Information technology, Radical change

Source: Field Survey, 2021.

The result in Table 2 shows the results of Analysis of Variance (ANOVA) test which revealed that the combined independent variables have significant effect on profitability. This can be explained by the F-value (64.820) and p-value (.000) which is less than 5 % level of significance. The valid regression model implies that all the variables are related.

**Table 3: Regression Coefficient1**



Model		Unstandardized coefficient		Standardized coefficient	T	Sig
		B	Std. Error	Beta		
	(Constant)	.376	.293	1.285	.201	
1	Financial Resources	.170	.056	.174	3.050	.003
	Information Technology	.457	.057	.461	7.947	.000
	Radical Change	.331	.057	.321	5.792	.000

Source: SPSS Output, 2021.

From the result in Table 3, it was evident that 95 % confidence level, the variables produce statistically significant values for this study (high t-values,  $p < 0.05$ ). A positive effect is reported for all the variables under study hence affecting profitability deposit money banks in Makurdi metropolis in a positive manner. A look at the t values and p values from the regression coefficients table shows that information technology has the highest contribution to variations in profitability of deposit money banks in Makurdi metropolis as a result of change in business process reengineering ( $t= 7.947$ ;  $P= 0.000$ ), followed by radical change ( $t= 5.792$ ;  $P= 0.000$ ) and lastly financial resources has a significant effect on profitability ( $t= 3.050$ ;  $p= 0.003$ ).

Table 4: Model Summary 2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
2	.889a	.790	.786	.766	1.706

a. Predictors: (Constant), Financial resources, Information technology, Radical change

b. Dependent Variable: Growth

Source: Field Survey, 2021.

Regression was used to determine the extent to which a set of independent variables (information technology, radical change and financial resources) predicted the dependent variable (growth). The results from Table 4.4 showed that a combination of financial resources, information technology, radical change significantly predicted up to 79.0 % of the variation in growth of deposit money banks in Makurdi ( $R^2 = .790$ ). The remaining 21.1 % unexplained variation in growth is caused by other variables outside the regression model. The result from Table 4 also indicated the value of adjusted R-Square. The adjusted R-Square value was calculated which took into

account the number of variables in the model and the number of observations the model was based on. The adjusted R-square value (.786) gave the most useful measure of the success of the model. It also gave an idea of how well the model could be generalized, which implied the closer it was to R-square, the better.

Also, Durbin-Watson statistic was employed to determine the presence or absence of auto-correlation. For this model, the value of Durbin-Watson statistic was computed to be 1.706, which was reasonably closed to 2. This implied that there was no auto-correlation.

Table 5: Analysis of Variance (ANOVA) 2

Model	Sum of Squares	Df	Mean Square	F	Sig.
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Regression	385.454	3	128.485	218.956	.000b
Residual	102.691	59	.587		
Total	488.145	60			

a. Dependent Variable: Growth

b. Predictors: (Constant), Interactional Financial resources, Information technology, Radical change

Source: Field Survey, 2021.

The result in Table 5 shows the results of Analysis of Variance (ANOVA) test which revealed that the combined independent variables have significant effect on growth of deposit money banks in Makurdi metropolis. This can be explained by the F-value (218.956) and p-value (.000) which is less than 5 % level of significance. The valid regression model implies that all the variables are related.

**Table 6: Regression Coefficient 2**

Model		Unstandardized		Standardized	T	Sig
		B	Std. Error	Beta		
2	(Constant)	.423	.547		.773	.441
	Financial Resources	.307	.056	.201	5.512	.000
	Information Technology	.411	.141	.152	2.920	.004
	Radical change	1.147	.058	.993	19.755	.000

a. Dependent Variable: Growth

Source: SPSS Output, 2021.

From Table 6, it was evident that 95 % confidence level, the variables produce statistically significant values for this study (high t-values,  $p < 0.05$ ). A positive effect is reported for all the variables under study hence affecting growth of deposit money banks in Makurdi metropolis in a positive manner. A look at the t values and p values from the regression coefficients table shows that radical change has the highest contribution to the variations in growth of deposit money banks in Makurdi metropolis as a result of change in business process reengineering ( $t = 19.755$ ;  $P = 0.000$ ), followed by financial resources ( $t = 5.512$ ;  $P = 0.000$ ) and finally information technology has a significant effect on growth of deposit money banks in Makurdi metropolis ( $t = 2.920$ ;  $p = 0.004$ ).

**Test of Hypotheses**

The six hypotheses were tested using regression analysis at 0.05 level of significance as follows:

**Test of hypothesis one**

**H0<sub>1</sub>:** Financial resources has no significant effect on the profitability of deposit money banks in Makurdi metropolis

The result of regression analysis as presented in Table 3 showed that financial resources significantly predicted the profitability of deposit money banks in Makurdi metropolis ( $\beta = 0.174$ ,  $t = 3.050$ ,  $P < 0.05$ ). This implies that there is statistical evidence to reject the null hypothesis (H0<sub>1</sub>).

**Decision:** Since the P – value (0.003) is less than 0.05 level of significance ( $P < 0.05$ ). The researchers rejected the null hypothesis (H0<sub>1</sub>) and concluded that financial resources significantly affect the profitability of deposit money banks in Makurdi metropolis.

**Test of hypothesis two**

**H0<sub>2</sub>:** Information technology has no significant effect on the profitability of deposit money banks in Makurdi metropolis.

The result of regression analysis from Table 3 indicates that information technology is a significant predictor of profitability of deposit money banks in Makurdi metropolis ( $\beta = .461$ ,  $t = 7.947$ ,  $P < 0.05$ ). This suggests that there is statistical evidence to reject the null hypothesis (H0<sub>2</sub>).

**Decision:** Since the P-value (0.000) is less than 0.05 level of significance ( $P < 0.05$ ), the researchers reject the null hypothesis (H0<sub>2</sub>) and conclude that information technology has a significant effect on the profitability of deposit money banks in Makurdi metropolis.

#### **Test of hypothesis three**

**H0<sub>3</sub>:** Radical change has no significant effect on the profitability of deposit money banks on in Makurdi metropolis

The result from Table 3 also revealed that radical change is a significant predictor of profitability of deposit money banks in Makurdi metropolis ( $\beta = 0.321$ ,  $t = 5.792$ ,  $P < 0.05$ ). This implies that there is statistical evidence to reject the null hypothesis (H0<sub>3</sub>).

**Decision:** Since the P – value (0.000) is less than 0.05 level of significance ( $P < 0.05$ ), the researchers rejected the null hypothesis (H0<sub>3</sub>) and concluded that radical change has significant on the profitability of deposit money banks in Makurdi metropolis.

#### **Test of hypothesis four**

**H0<sub>4</sub>:** Financial resources ave no significant effect on the growth of deposit money banks in Makurdi metropolis

The result from Table 6 also revealed that financial resources is a significant predictor of profitability of deposit money banks in Makurdi metropolis ( $\beta = 0.201$ ,  $t = 5.512$ ,  $P < 0.05$ ). This implies that there is statistical evidence to reject the null hypothesis (H0<sub>4</sub>).

**Decision:** Since the P – value (0.000) is less than 0.05 level of significance ( $P < 0.05$ ), the researchers rejected the null hypothesis (H0<sub>4</sub>) and concluded that financial resources significantly affect growth of deposit money banks in Makurdi metropolis

#### **Test of hypothesis five**

**H0<sub>5</sub>:** Information technology has no significant effect on the growth of deposit money banks in Makurdi metropolis

The regression analysis as presented in Table 6 showed that information technology has significant effect on growth of deposit money banks in Makurdi metropolis ( $\beta = -0.152$ ,  $t = -2.920$ ,  $P < 0.05$ ). This implies that there is statistical evidence to reject the null hypothesis (H0<sub>5</sub>).

**Decision:** Since the P – value (0.004) is less than 0.05 level of significance ( $P < 0.05$ ). The researchers rejected the null hypothesis (H0<sub>5</sub>) and concluded that information technology significantly affects growth of deposit money banks in Makurdi metropolis performance in the selected tertiary institutions in Benue State, Nigeria.

#### **Test of hypothesis six**

**H0<sub>6</sub>:** Radical change has no significant effect on the growth of deposit money banks in Makurdi metropolis

The result of regression analysis from Table 6 indicates that radical change is a significant predictor of growth of deposit money banks in Makurdi metropolis ( $\beta = 0.993$ ,  $t = 19.755$ ,  $P < 0.05$ ). This suggests that there is statistical evidence to reject the null hypothesis (H0<sub>6</sub>).

**Decision:** Since the P-value (0.000) is less than 0.05 level of significance ( $P < 0.05$ ), the researchers reject the null hypothesis (H0<sub>6</sub>) and conclude that radical change has a significant effect on growth of deposit money banks in Makurdi metropolis

#### **Discussion of Findings**

The general finding of the study revealed from data collected that business process re-engineering

significantly affect the performance of deposit money banks in Makurdi metropolis. The specific findings of the study were presented according to the objectives of the study as follows:

**Effect of financial resources on profitability of deposit money banks in Makurdi metropolis**

The result of data collected and the analysis carried out revealed that financial resources has significant effect on profitability of deposit money banks in Makurdi metropolis. Regression analysis was used to test the hypothesis at 5 % level of significance and the p-value (0.003) was lower than the significance level. This can be statistically given as  $P\text{-value } 0.003 < \alpha = 0.05$ . This result corroborates the findings of research done by Olubayo and Okunbanjo (2020) which found that organizational resources significantly effects profitability in food and beverage industry in Nigeria.

**Effect of information technology resources on profitability of deposit money banks in Makurdi metropolis**

The findings of the study indicated that information technology has significant effect on profitability of deposit money banks in Makurdi metropolis. Regression analysis was used to test the hypothesis at 5 % level of significance and the p-value (0.000) was lower than the significance level. This can be statistically given as  $P\text{-value } 0.000 < \alpha = 0.05$ . This result supports that of Ann (2019) who found that information technology significantly affects profitability of selected commercial banks in Nairobi city County, Kenya.

**Effect of radical change on profitability of deposit money banks in Makurdi metropolis**

The analysis of the data collected from the respondents also revealed that there is significant effect of radical change on profitability of deposit money banks in Makurdi metropolis. Regression analysis was used to test the hypothesis at 5 % level of significance and the p-value (0.000) was lower than the significance level. This can be statistically given as  $P\text{-value } 0.000 < \alpha = 0.05$ . The finding of this study agrees with Chepkorir (2018) who asserted that radical change can increase organizational profitability and insisted that it is

important that organizations recognize the need for change and learn to manage the process effectively.

**Effect of financial resources on growth of deposit money banks in Makurdi metropolis**

The findings of the study indicated that financial resources have significant effect on growth of deposit money banks in Makurdi metropolis. Regression analysis was used to test the hypothesis at 5 % level of significance and the p-value (0.000) was lower than the significance level. This can be statistically given as  $P\text{-value } 0.000 < \alpha = 0.05$ . This finding is in line with previous study by Kabiru, Mohamed and Norlena (2012) who studied the critical success factors for business process management for small and medium banks in Nigeria and found that financial resources is strong determinant of organizational growth.

**Effect of information technology on growth of deposit money banks in Makurdi metropolis**

The analysis of the data collected from the respondents also revealed that there is significant effect of information technology on growth of deposit money banks in Makurdi metropolis. Regression analysis was used to test the hypothesis at 5 % level of significance and the p-value (0.004) was lower than the significance level. This can be statistically given as  $P\text{-value } 0.004 < \alpha = 0.05$ . The findings of this study agrees with Bako and Banmeke (2019) who found that information technology has significantly enhanced the growth of Commercial Banks and Micro-finance Banks in Ilaro, Ogun state, Nigeria.

**Effect of radical change on growth of deposit money banks in Makurdi metropolis**

The findings of the study indicated that radical change has a significant effect on growth of deposit money banks in Makurdi metropolis. Regression analysis was used to test the hypothesis at 5 % level of significance and the p-value (0.000) was lower than the significance level. This can be statistically given as  $P\text{-value } 0.000 < \alpha = 0.05$ . This finding supports that of Obalam and Okocha (2018) who surveyed the impact of business process reengineering on

corporate performance of deposit money banks in Rivers State, Nigeria and part of their findings stated that radical significantly affects growth.

### Conclusion and Recommendations

The study looked at the relationship between the three dimensions of business process re-engineering and organisational performance. It was established that all the dimensions of business process re-engineering have significant relationship with profitability and growth. Therefore, it is concluded that fair process changes, with appropriate allocation of resources and fair deployment of information technology will result in increase in profitability and growth of deposit money banks in Makurdi metropolis.

### Recommendations

From the findings, this study made the following recommendations:

- i. Management of deposit money banks should employ innovative management strategies tailored towards aggressive marketing of banking services in order to enhance the availability of financial resources hence the availability of financial resources determine the growth and profitability of the DMBs.
- ii. Management of deposit money banks should invest heavily in information technology since it enhances the potential of enhancing both growth and profitability of the deposit money banks.
- iii. Management of deposit money banks should embrace radical changes but these changes should be backup with effective communication and employees involvement in order to overcome resistance hence these radical changes have the potential of enhancing growth and profitability of DMBs.
- iv. Management of deposit money banks should ensure fairness in the reward system in order to build a climate of trust and promote employee citizen behavior.

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# Political Advertising and Its Impact on Electoral Outcomes; a Study of 2015 Presidential Elections in Nigeria

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## ABSTRACT

*This paper's objective is to examine the political strategies used by political parties in the 2015 presidential elections, public perception of political advertising messages in the 2015 presidential elections, dominant political advertising messages during the 2015 presidential elections, and the impact of political advertising messages on voters in the 2015 presidential elections. To achieve these objectives, the paper utilized the review research design. One key finding was that the perception the public has about the media campaign messages are predominantly affected by certain key variables such as ethnicity, religion, exposure, literacy and political ideology. This perception and credible interpretation of campaign messages is affected by hate speech, media trial, fake news and deliberate propaganda. After employing the assumptions of the Agenda-Setting Theory as the basis of analysis, this study submits that the broadcast media can be deployed as a tool to determine electoral outcomes.*

**Key words:** *Political advertising, Presidential elections, Broadcast media*

**Research methodology:** The research design used for this paper is the review design. The secondary data used in this paper already exist in several categories of printed text and the internet. These include official INEC documents, other similar publications, reports by multilateral organizations, journals, newspapers, text books and reports by committees of inquiry were utilized and analysed. The secondary data was analysed using the thematic analysis.

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## **Introduction**

The 2015 presidential election in Nigeria generated a lot of interest globally and has been considered as one of the rare historic transfer of power in the Africa continent, notoriously known for tenure elongation which sometimes lasts for several decades or even life time. The Nigeria president like most other presidents in sub-Sahara Africa is vested with so much power, such that the stakes are usually very high. The 2015 presidential election stands out for two reasons; first, the election was considered violence free, especially in the post-election experience. Secondly, the election led to the defeat of an incumbent president.

Since the return to democratic governance in Nigeria in 1999, the media in general and the broadcast media in particular, have been critical stakeholders in the nation's democratic dispensation. The electorates mostly depend on the broadcast media for information during electioneering campaigns, especially the television because of the dual advantage of picture and audio capability. The role of the broadcast media therefore, becomes more important in influencing electorate's decision either in favour or against a particular party or candidate. The 2015 election brought to the fore, this important role of the broadcast media.

The broadcast media impacts on electoral outcome through the instrumentality of political advertising. The advertising sub-sector is influenced by institutions within the micro and macro political, economic, social and technological ecology (Olatunji, 2010). Advertising messages about political candidates and political parties are usually transmitted to the targeted audiences through different broadcast media available at any particular time. It is the awareness of the strategic importance of advertising and public relations that political gladiators often employ advertising.

On his own part Oso (2012) understandably argued that political advertising has over the years, become important tools in the hands of political class to create awareness about candidates or political parties before, during and after elections in order to influence the electorates to support,

accept, reject, or have a change of attitude towards or against a particular political pantry or its opponents. There can be no role for political advertising better than using it to show how one politician or political party is different from (or better than) another.

The key area of difference between political communication and political advertising is that while political communication is a more holistic and interactive process that involves the transmission and exchange of information and messages between political actors and their publics. Political advertising is skewed as it creates awareness, persuades, informs and urges the electorate to be favorably (or un-favorably) disposed to, accept, vote for, (or reject) a candidate, political party, or proposition (Olatunji & Akinjoybia, 2011).

That is to say, while political communications are often a two-way process, political advertising is more propagandist and one-sided in nature. It must be noted that the advertising institution is a critical socializing agent for educating, informing, entertaining and inducing change in voter's behaviour regarding choice of candidates at elections. Although political advertising may not ensure victory for a political candidate, it influences voters' judgment based on perception about the credibility and truthfulness of the candidate. There are two dominant types of political advertising: negative and positive political advertising. The positive political advertising; sells a candidate or his political party and ideologies to the electorates, by utilizing decent language (positive tone) and shuns messages that are inciting, promotes ethnicity, religious or other terms of cleavages in society, it also relies on logical appeal.

On the other hand, negative political advertising; is an attack form of political advertising. Incidentally, this is the sort of message that appeals to majority of the electorates but ultimately wears or turns off the audience and denies the candidate the opportunity to positively project his or her image. This is because the negative advertising takes away attention from the unique selling proposition of the candidate and gives greater attention to the opponent. Politicians

should strike a balance between the two approaches. Most recent studies on political communication, advertising and electoral processes and outcomes in the U.S.A and Europe show a tendency towards negative image projection and very low level of focus on issues (Fowler & Ridout, 2012; Barnard & Kreiss, 2013; Daignault, Soroka & Glasson, 2013).

In Nigeria, studies on political advertising have often focused on analysis of media advertisements during elections (Phillips, Roberts & Benjamin, 1999; Albert & Coh, 2009; Olatunji & Akinagbin, 2011; Onwuamalam, 2014; Oluwatosin, 2015) and on personality. Vary rarely do these studies focus on the influence of political advertisement on voting behaviours (Edegoh, Ezebuenyi, & Ashema, 2013). Another study by Guo, Vu & McCombs (2012) also revealed that 64 percent of political ads exposed in the 2012 U.S campaign were mostly negative, compared to previous elections. In the contest between APP and PDP for example, the APP used more of attack advertising (25%) against the PDP's (17%).

Both parties focused less on issues (13%), which according to Philips, Roberts & Benjamin (1999) Signals a degeneration of presidential election campaigns in Nigeria. But Albert and Macro (2007) found that Umaru Yar'adua of PDP in the 2007 presidential election concentrated more on his 5-point agenda manifestoes, his opponent of the Action Congress of Nigeria (ACN) employed the attack advertising technique. Generally speaking, the first way broadcast media get involved in elections is by selecting which political parties and or candidates to cover and how much airtime is given them, those choices contributes to voter perceptions. The biggest thing that drives elections is the voter recognizing the name of a candidates or parties name or logo or slogan.

This research reveals that some candidates and or parties can be virtually made invisible due to the fact that they can't win enough interest from the broadcast media. For the broadcast media, this disproportionate coverage may be due to economics rather than political bias. In the

opinion of this research, in Nigeria it may be due to both or more of the latter than the former. Furthermore, if a politician has a pre-existing fame and ability to generate controversy those stories would often be about him/her.

## **Theoretical Framework**

### **Agenda-Setting theory:**

After looking at the various theories explained above the theoretical framework adopted for this study is the Agenda-setting theory.

**Meaning:** This theory describes the "ability of the news media to influence the importance placed on the topics of the public agenda". With Agenda setting being a social science theory, it also attempts to make predictions. That is, if a news item is covered frequently and prominently, the audience will regard the issue as more important (McCombs & Shaw, 1972; Guo & McCombs 2012; Holbrook & Hill, 2005; Kim & Lee, 2006; Renita & Denis 2010; McCombs & Funk 2011). Agenda setting occurs through a cognitive process known as "accessibility". Accessibility implies that the more frequently and prominently the news media cover an issue, the more that issue become accessible in audience's memories (Lee & Riffe, 2016).

**Core assumptions:** core assumptions and statements of Agenda-setting theory is the creation of public awareness and concern of salient issues by the news media. As well, Agenda-setting describes the way that media attempts to influence viewers, and establish a hierarchy of news prevalence. Two basic assumptions underlie most researches on agenda-setting:

- i. The media do not reflect reality, they filter and shape it.
- ii. Media concentration on a few issues and subjects leads the public to perceive those issues as more important than other issues.

**Models:** There are three models assumed by McCombs (2005) the awareness model, the priorities models and the salience model. Rogers and Dearing (1998); Walgrave and Vanaelst

(2006) separately identified three types of agenda setting:

- i. Public agenda setting, in which the public's agenda is the dependent variable (the traditional hypothesis).
- ii. Media agenda setting, in which the media's agenda is treated as the dependent variable (agenda building).
- iii. Policy agenda setting, in which elite policy maker's agenda are treated as the dependent variable (political agenda setting).

**Orientation:** Agenda-setting studies typically show variability in the correlation between media and public agenda. To explain differences in the correlation, McCombs, Lamas, Lopez-Escobar and Ray (1997); Schonbach and Weaver (1985) all wrote about the concept of "need for orientation" which "describes individual differences in the desire for orienting cues and background information". Agenda setting theory has leans towards two key orientations; relevance and uncertainty, which define an individual's need for orientation. Relevance suggests that an individual will not seek news media information if an issue is not personally relevant (Goffman, 1974).

Rogers and Dearing (1998) described the different dominant orientations of media. Thus, "Setting" an agenda refers to the effect of the media agenda on society, transfer of the media agenda to the public agenda, while "building" an agenda includes "some degree of reciprocity" between the mass media and society where both media and public agenda influence public policy. Proponents of this theory speculate that the media does not operate within a vacuum. The media agenda in fact is the result of the influences of certain powerful groups (Berkowitz, 1992; Cob & Elder, 1971; Weber, 1990; Gussfield, 1981; Kim & Lee, 2006; Lancendorfer & Lee 2005; Wallsten, 2014; Erring, Goldenberg & Miller 1980; Entman, 1993; and Scheufele, 1999).

Agenda setting theory also deals with the issues of accessibility (Scheufele & Tewksbury, 2007). Accessibility is defined as "how much or "how recently" a person has been exposed to certain issues (Kim & Lee, 2006). Specifically,

individuals try to make less cognitive effort in forming social judgments; they are more likely to rely on the information that is easily accessible (Higgins, 1996; Little-john & Foss, 2011).

This leads to a greater probability that more accessible information will be used when people make judgments on certain issues (Iyeanyer & Kinder, 1987; Scheufle & Tewksbury, 2007).

The concept of accessibility is the foundation of a memory-based model (Scheufele, 2000). It assumes that individuals make judgments on the issues based on information that is easily available and retrievable from their memory (Tulving & Watkins, 1975; Hastie & Park, 1986; Iyeanger, 1990). Tversky and Kahneman (1974) also argued that the formation of individual judgments directly correlates with the ease in which instances or associations could be brought to mind.

#### **Political advertising strategies by political parties in the 2015 presidential elections: .**

A collaborative study by the Association of Communication Scholars and Professionals of Nigeria (ACSPN), North Dakota State University (NDSU), Advertising Practitioners of Nigeria (APCON), ORBICOM, UNESCO and Ford Foundation (2018) using a mixed research methodology such as qualitative interpretative analysis, quantitative content analysis/survey and in-depth personal interview in their findings on the strategy adopted by political parties and candidates in the 2015 general elections focused on two key parties because out of the 26 political parties that registered and participated in the elections the media identified with the APC 3,911 times (47.01%), PDP 3,716 (44.67%) and the remaining 24 (8.4%). The strategy used by both parties included Image boosting and Image domination, both parties tried to outperform one another in this regard.

Another study by Iroanusi (2019) in collaboration with Centre for Democracy and Development and the British Broadcasting Corporation, titled how politicians support and use fake news as campaign strategy. From its findings through content analysis showed that the two major political parties used fake news to bolster their image as a party and the image of their flag bearers. The

study also showed that there was deliberate amplification of false news to polarize discussion through bullying and intimidation in order to garner more votes. It was also aimed at dividing the electorate or suppressing votes of rivals. The study in its finding showed that the proliferation of social media platforms was a major cause of this trend of happenings.

Yet another study by Ademilokun and Taiwo (2013) titled *Discourse Strategies in Newspaper Campaign Advertisements for Nigeria 2011*; using critical discourse analysis with emphasis on Fairclough's Discourse, established in their findings that text producers employed discourse strategies such as metaphorization of party symbols, use of deictic pronouns for inclusion and exclusion, deployment of rhetorical questions for persuasion, identification with youth culture, employment of historical allusions, giving appeal to goodluck and negative other representation. In addition, the packaging of information, graph logics, fore-grounding, imagery, repetition and lexical choice reveal the intent of the campaign advertiser to persuade, appeal to sentiments, legitimize and delegitimize their positions in the discourse.

**Public perception of political advertising messages in the 2015 presidential elections:** A collaborative study by the Association of Communication Scholars and Professionals of Nigeria (ACSPN), North Dakota State University (NDSU), Advertising Practitioners of Nigeria (APCON), ORBICOM, UNESCO and Ford Foundation (2018) using a mixed research methodology such as qualitative interpretative analysis, quantitative content analysis/survey and in-depth personal interview in their findings on the perception of the electorates on media broadcast media campaigns in the 2015 presidential elections showed that out of 1,140 respondents from six geo-political zones many of them that the ads from the APC were more hate focused than that of the PDP.

The findings indicate that the APC ads were mainly designed to bring down the former president Goodluck Jonathan and his

administration. 69.2% of the respondents felt this way. Furthermore, the findings also revealed that 53% of the respondents were of the view that most of the presidential campaign messages were quite unwholesome, they claimed that the campaign messages were insulting to the intelligence of the electorates. The perceptions when analysed using a perception test conducted across the geo-political zones showed it was lowest in the south west 47.8%, followed by the north east 48.6%, north central 61%, south south 66.4%, north west 67% and highest in the south east 78.9%.

Another study by Chukwuma, Ezeh and Umuzue (2016), titled *Public Perception of Media Messages in 2015* using survey anchored on the civilization and agenda setting theory concluded in their finding that media ownership affected reportage in the broadcast media negatively.

Yet another study by Nwofe (2016) titled *Dimensions of negativity in the coverage of the Nigerian 2015 Presidential Elections* using content analysis specifically on six media outlets namely Sahara Reporters, Premium Times, Punch, The Sun, Nation and Vanguard online between January 1-may31 2015 established in their findings that;

- i. The media in order to manipulate perception used likeminded sources
- ii. They made salience of ideologically based opinion articles
- iii. Re-publication of news items from other news channels that aptly supports specific agenda frame
- iv. They constructed headlines jaded with text and tone that negatively describe political actors.
- v. They framed stories that are conflict driven, pessimistic centered or reflect incapability or portray negativity towards political actors or institutions during coverage of the 2015 Presidential elections in Nigeria.
- vi. The tone of their reportage and content deployed during the elections were capable of promoting political disengagement and media cynicism, messages generally were overtly negative, conflict driven, reflects predominantly incapability and offer



pessimistic view or negative portrayal of political actors.

**Dominant political advertising messages featured during the 2015 Presidential elections:**

A collaborative study by the Association of Communication Scholars and Professionals of Nigeria (ACSPN), North Dakota State University (NDSU), Advertising Practitioners of Nigeria (APCON), ORBICOM, UNESCO and Ford Foundation (2018) using regression analysis in their findings on the dominant campaign issues identified i. housing and infrastructure issues, ii. the problem of low electricity generation iii. missing Chibok girls and general insecurity iv. the parlous nature and state of the nation's economy. The findings showed that 48.7% of the respondents voted for their preferred candidate because of the issues that the candidate raised in the campaign. As for the issues that affected electorates voting the study identified age, religion, education and zone. The results showed that not all the variables investigated significantly influenced voting decision. Religion and geo-political zone influenced the choice of candidate voted for. Age and educational qualification did not affect the choice of candidates voted for during the election. This means that influences of religion and ethnicity on voting decision in Nigeria are very significant.

The findings also showed that some respondents considered the 2015 presidential election campaign less interesting because campaign messages were personalized; campaign promises like sharing of free food to students and paying 5,000 naira to unemployed graduates seemed unattainable.

Another study by Okolie, Enyiazu and Nnamani (2021) titled Campaign Propaganda, Electoral Outcome and the Dynamics of Governance in the Post 2015 Presidential Election in Nigeria using content analysis and anchored with the Rational-Choice theory in their findings established that i. ethno-religious campaign messages determined voting choices of individuals and lead to the triumph of an opposition party. ii. Media messages and institutions became willing tools for political actors and foreign interests. iii. Messages were filled with hate speech, propaganda,

campaign of calumny and questionable information; which contributed to the historic defeat of an incumbent with emerging proof that the winning party had no capacity to fulfil their much touted change mantra.

**Impact of political advertising messages on voters in the 2015 presidential elections:**

Several studies like the ones mentioned above Okolie, Enyiazu and Nnamani (2021), Association of Communication Scholars and Professionals of Nigeria (ACSPN), North Dakota State University (NDSU), Advertising Practitioners of Nigeria (APCON), ORBICOM, UNESCO and Ford Foundation (2018), Nwofe (2016), Chukwuma, Ezeh and Umuze (2016), Ademilokun and Taiwo (2013) and Iroanusi (2019) directly and indirectly indicated that the broadcast media had effect on the voting pattern and or voters choice in the 2015 Presidential election.

The traditional role of the broadcast media is their watch dog role to inform and educate the viewers who are also the electorates other major roles include the enablement of public participation in electoral process. They often provide their platforms for politicians and political parties to communicate their messages to the electorates and also to get feedback from the electorates on their expectation. In occasions where there are mass rallies, it is also expected that broadcast media covers such areas for transmission weather to prove how popular their candidates or political parties are, or to simply use such rallies to convey messages to the listening audiences watching at home.

Their home audience are usually considered to be more in number than the audience at the rallies. This simply explains the reason broadcast media usually have significant impact on the electorate's decision on the voting pattern and also explains why the broadcast media are considered as one of the primary stake holders in the electoral process. The broadcast media is thus considered as a primary player in the electoral process because the content of the information transmitted and consumed by the viewer, ultimately determines the voting pattern of the viewer. The final decision on who to vote for depends on the information available at the disposal of voters most of these

information or knowledge is mostly based on the broadcast media reports.

In assessing the impact of the broadcast media on the 2015 presidential election, it will be pertinent to first consider how the broadcast media treated the various campaigns of the candidates and political parties. Agenda setting is the traditional role of the media. It is therefore, natural that what dominate public discourse during the elections were those news items and issues that could influence the electorate's decisions. Voters depend largely on the broadcast media to form opinion about an issue. The broadcast media is in the electoral process; it does not operate in a vacuum but are also attended to by the socio-political configuration of the society in which they operate.

The level of un-professionalism no doubt impacted negatively on the outcome of the 2015 Presidential election and also detrimental on the credible development of Nigeria's political culture. The opinion that broadcast media should first consider public interest in their reportage of electoral process. If this basic consideration is fading in the discharge of their basic function, then the electorates are misled. Many critics singled out the broadcast media for their abject failure in measuring up to public expectations during the 2015 presidential elector, given their enormous power to influence compared to print media.

**Findings:** i. The perception the public has about the media campaign messages are predominantly affected by certain key variable such as ethnicity, religion, exposure, literacy and political ideology. This perception and credible interpretation of campaign messages is affected by hate speech, media trial, fake news and deliberate propaganda. The Nigerian media laws were not adequate and or were not credibly enforced on all stakeholders fairly.

ii. The political candidates, political parties and the media used different strategies to boost their messages key among them are political campaign advertisement, image attenuation and image

boosting. The challenge for the broadcast media was been objective when doing this. Their level of objectivity was subject to bias due to factors like ownership, patronage and location.

**Conclusion:** The explosion in the use of various social cum new media platforms and its unrestricted use caused a change in the way the media impacted elections because the normal gatekeepers were bypassed. This tremendous media impact would be replicated in the 2015 elections in a way that has never been done before. It was the media that set the agenda for discussion. The impact of the media in 2015 general elections was unprecedented. The media influence elections by making the voter recognize the name of a candidates or parties name or logo or slogan. Candidates and or parties can be virtually made invisible due to the fact that they can't win enough interest from the media, this invariably makes them unknown to electorates who don't know about them or their party personally especially in a multi-party system like Nigeria where the media impacts on elections through political biases in their coverage. This factor may be motivated by a number of reasons such as business, politics and competition.

These factors are the reasons campaigns of political parties and their candidates get covered as if they are sporting events, with too much spin and emphasis on who's winning, who's losing, who's up, who's down, how they are moving ahead or behind in the polls, this spin inadvertently in the long run impacts on some voters' perception.

The International Press Institute and Nigeria Press Council (IPC & NPC, 2015) under-took a study on the reportage of 2015 elections. The study monitored the reportage of 12 national online-newspapers, 10 regional newspapers and four social media platforms. The study adopted content analysis procedure to generate data on the reportage of the 2015 presidential election in Nigeria. The study's findings showed that media broadcast of elections were skewed in favour of the dominant parties in that election APC and PDP, with little or no attention paid to the

remaining 24 political parties at that time. The study also showed that stories capable of inciting one section of the country against the other were used and hate speech also excessively used.

The broadcast media influences elections by creating a heated atmosphere just like in the Nigerian 2015 presidential election, which took off in a heated and contentions manner with the supporters of the two prominent political parties, PDP and APC exchanging hate speech throughout the course of the campaign, these were repeatedly reported in the media.

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# Effectiveness of System Approach To Instructional Programme on Students' Academic Achievement in Biology in Aniocha North LGA, Delta State

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## ABSTRACT

*This study examined the effect of the system approach to instructional design in the classroom and its effect on students' academic achievement in biology. Two research questions and three hypotheses were used to guide the study. Quasi-experimental study design was adopted using a population of 2,750 senior secondary biology students within Aniocha North L.G.A., Delta State. 100 students drawn from 4 schools by balloting were used. The experimental group were taught using system approach while control group were taught using lecture method. Students achievement was obtained using Biology Achievement Test (BAT). Data were collected and analyzed using mean, standard deviation and analysis of covariance (ANCOVA). Results revealed among others that, system approach method had greater impact on the students' academic achievement in biology than the lecture method. Furthermore, no significant difference was observed in the academic achievement of private and public-school students in biology when taught with system approach method of teaching and lecture method. The researcher recommended among others things that biology teachers should be encouraged to use the system approach in their classrooms in order to encourage students' active engagement in the lesson for enhanced academic achievement.*

**Keywords:** *Achievement, biology, instructional programme, system approach*

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## **Introduction**

Education is confronted with a lot of innovation universally which thus has help in changing the sector both in human and material resources. This invention has given rise to various approaches of teaching and learning in which system approach to instructional programme are part of the approaches which has been understood as a combination of face-to-face and technology mediated instructional forms and practices use in teaching and learning. With the emerging of this new technology, they are often embraced by the outdated system of teaching and learning (Paul and Richard, 2017). Recently information communication technology has energies to bridge the gap between the traditional system of learning and the new learning, thereby creating an avenue of enhancing the traditional instruction (Paul and Richard, 2017).

System approach adopts a systemic pattern in coordinating all forms of problem gearing towards specific objectives. It involves regular interaction and/or items of independent group which forms a unified whole (Aggarwal, 2010). In educational context, system entails a whole unit which incorporates other aspects including the pupils/students, teachers, curriculum, content and evaluation of instructional objectives (Darling-Hammond *et al.*, 2020). The process of teaching-learning in the context of education is perceived as a process of communication which occurs in the component of a system which comprises of teachers, student and the programme instruction encompassed in one pattern of interaction. System Approach is channeled towards learner as a first point of target followed by the course content. The learning experiences, effective media as well as instructional strategies are also incorporated into the system approach. The effectiveness of such system is that it enables continuous self-correction and improvement (Aggarwal, 2010).

Availability and effective utilization of this new system of learning in school is essential to the achievement of school goals. As a social system engaged in production, schools need adequate facilities, equipment, materials, education personnel, finance and students to function

effectively (Usman, 2016). Consistently, the proper provision and effective utilization of educational facilities play a vital role in enhancing the achievement of educational objectives. School facilities are the operational inputs of every instructional programme. The use of school facilities is very necessary for utmost learning achievement. Every Instructional programme has its specific demands of facilities. As a result, the educational process requires facilities that are at their utmost workable state in order to achieve quality output production (Ohakamike-Obeka, 2016).

Academic achievement on the other is a psychological test which measures learners' cognitive and intellectual traits (Ukwuji and Kpolovie, 2003). The result of these tests is very crucial in the academic decision making by the teacher concerning learners because it helps the teacher and guardian to ascertain the progress of their learners. Bonk and Graham (2006) described academic performance as college point average and the success of both teachers and students. It points to excellence in all academic discipline as well as the attainment of educational goals measured by standardized test scores. Academic achievement measures the extent to which students fails or succeed in a given cognitive academic task. Anyichie and Onyedike (2012) in a study stated that academic achievement is the ability of the learner to attain its set educational goal within the specific duration of the program. The study indicated a significant main effect of treatment on the student's world problem of performance.

## **Statement of the Problem**

The development of any nation cannot be possible without education, teachers being the implementers of any educational programme and they are equally responsible for the translation of educational theories into practice. For teaching to be effective, it has to be rooted in an understanding of how students learn. Several researchers have conducted research with a view to finding better ways of teaching and learning Biology. Results indicated that performance in public examination in Biology still remain poor.



In other to overcome the problems of poor achievement, retention and acquisition of multiples intelligences by students in biology, some researchers have suggested the use of diverse instructional strategies, which may help to enhance students' achievement in biology. This study seeks to use an instructional model, which could be able to address students learning styles and brain hemispheric preference and provide practice and feedback in ways of thinking and solving problems.

### **Significance of the Study**

The findings of this study in addition to contributing to the body of literature on education facilities availability and utilization, would benefit government, school management agencies, school heads and parents. Practically, the findings of the study will be significant to the following groups: students, teachers, curriculum planners, author and researchers. The findings of this study could enhance student's participation in science activities that will increase their acquisition of multiple intelligences, retention and achievement in biology. It could also help students to spend their leisure wisely by engaging in activities that pertains to science, thereby improving the functionality of science. This finding of this study could guide the students on a career path and help them make important decisions that will impact their future. For the teachers, the study will enable them to understand that even though the traditional science instructions save time in terms of content coverage, it has also contributed to the myriad of misconception. Furthermore, the study would help curriculum planners to appreciate the need to accommodate learning styles and activities in school curriculum design.

### **Purpose of the Study**

To examine system approach effectiveness to instructional programme on academic achievement of students'

### **Research Question / Hypotheses**

The following null hypothesis were formulated and were tested at alpha level of 0.05

Ho<sub>1</sub>: There is no significant difference in the academic achievement of students taught biology with system approach and those taught with conventional (lecture) method.

Ho<sub>2</sub>: Significant difference does not exist in the academic achievement of government and private students taught biology with system approach and Lecture method.

Ho<sub>3</sub>: The interaction effect of method and location on students' academic achievement in biology is not significant.

## **METHOD**

### **Research Design and Study Sample**

Quasi-experimental design was adopted using a sample of 100 SSII biology students 50 from private and 50 from government school was drawn from 4 co-educational (2 private and 2 government) secondary schools in Aniocha North Local Government Area, Delta State. Two intact classes in each of the schools were randomly assigned to experimental groups (50 students) and control groups (50 students). The sampled schools were selected on the bases that there were coeducational and biology had been taught in the schools for over ten years. Also, the number of students in each of the classes was not more than 40.

### **Validity and Reliability of Research Instrument**

The Biology Achievement Test (BAT) comprising of 18 multiple choice questions with four options (A-D) was developed by the researcher to measure students' academic achievement. The instrument was critically assessed by experts and validated after necessary modifications. The instrument was subjected to 20 students excluded in the study sample and the outcome analyzed using Cronbach alpha statistical which yielded a coefficient of 0.727 indicating that the instrument is highly reliable for the research.

### **Data Collection**

The BAT were administered to students included in the study. The researcher explained the nature of the research and approach to handling the BAT tool. The researcher personally administered the printed copies of the BAT to the respondents with the assistance of teachers in the schools. The printed copies of BAT were retrieved back immediately by the research after they have been duly responded to.

**Data Analysis**

The research questions were answered by using the results to calculate the mean achievement scores and standard deviations of the groups, whereas the hypotheses were tested with Analysis of Covariance (ANCOVA) using the pre-test scores as covariates.

**Results**

Research question 1: Is there any difference in the academic achievement of students taught biology with system approach and those taught with conventional (lecture) method?

Table 1: Mean Achievement Scores and Standard deviations of Students

Experimental Conditions	Teaching Method	Test Type	No. of Subjects (N)	Mean (X)	Standard Deviation (SD)	Gain Score
Experimental	System approach	Pre-Test		7.60	3.15	
		Post-Test	50	27.15	6.13	19.55
Control	Lecture	Pre-Test		7.45	3.40	
		Post-Test	50	18.15	5.80	10.70
<b>Total</b>			<b>100</b>			

As shown in Table 1, the mean scores of the students taught biology with system approach and lecture method are 7.60 and 7.45 respectively in the pre-tests. The difference in the pre-test mean scores of the two groups is .15. This shows that the two groups were similar at the beginning of the experiment. The Table 1 further shows that the mean achievement score of the students taught biology with system approach in the post-test is 27.15 with standard deviation of 6.13 and mean achievement gain score of 19.55. The mean achievement score of those taught with the lecture method in the posttest is 18.15 with standard deviation of 5.80 and mean achievement gain score of 10.70. The difference in the mean achievement gain scores of the two groups is 8.85. Therefore, difference exists in the academic achievement of students taught with system approach and those taught with lecture method. Those students taught with system approach had higher academic achievement than their counterparts who were taught with lecture method.

**Research question 2:** Does significant difference exist in the academic achievement of Government and private school students taught biology with system approach and Lecture method?

Table 2. Mean achievement scores and standard deviations of private and government school students

Experimental Conditions	Teaching Method	School Location	Test Type	No. of Subjects (N)	Mean (X)	Standard Deviation (SD)	Gain Score
Experimental	System approach	Government	Pre-Test	25	7.34	3.07	
			Post-test		26.68	6.66	19.34
		Private	Post-Test	25	6.75	2.57	
Control	Lecture	Government	Pre-Test	25	7.40	2.25	
			Post-Test		24.28	8.53	17.53
		Private	Post-Test	50	18.15	5.80	10.70
<b>Total</b>				<b>100</b>			

Table 2 shows the mean pre-test and post-test scores of government and private students taught biology with system approach and lecture method. The result shows that students taught using system approach had mean score of 19.34 while private schools had mean score of 17.53. From this result, the mean achievement gain score of the

government students taught with lecture method (control) is 1.23 higher than that of their private counterparts. These results show that differences exist in the mean achievement scores of urban and rural students taught with conventional and lecture method.

**Hypothesis**

Table 3: Analysis of Covariance (ANCOVA) of Students' Overall Achievement Scores by Teaching Method and School Type

Source of Variation	Type III Sum of Squares	Df	Mean Square	F-cal	P-value	Decision
Corrected Model	658.942	2	329.471	3.675	0.013	S
Intercept	126530.064	1	126530.064	2117.296	<b>0.000</b>	S
Method	658.942	2	329.471	3.675	0.013	S
School type	198.450	1	198.450	3.321	0.070	NS
Method X	48.606	2	24.303	0.814	0.636	NS
Error	13804.607	231	59.760			
Total	142066.000	100				

S = Significant (P < 0.05); NS = Not Significant (P > 0.05)

**Hypothesis 1:**

Table 3 shows that there is a significant difference in the academic achievement of students taught biology with system approach and those taught with conventional (lecture) method. This is because from the table, the probability value of 0.013 obtained is lower than the level of 0.05 at which it was tested. Therefore, the null hypothesis (Ho<sub>1</sub>) of no significant difference in the students' academic achievement is rejected at .05 level of confidence. This means that the earlier observed difference in the overall mean achievement scores of students taught biology with system approach and those taught with conventional (lecture) method.

**Hypothesis 2:**

From Table 3, non-significant difference was found in test scores of government and private students. This is because the probability value of 0.070 obtained is greater than the level of 0.05 at which it was tested. With this result, Ho<sub>2</sub> was retained because the observed difference in the academic achievement of government and private students in biology is not significant.

**Hypothesis 3:** In Table 3, the F-value for the interaction effect of method and location on students' academic achievement in biology is 0.814 with P- value of 0.636 which is greater than 0.05 set for the study. With this result, Ho<sub>3</sub> was retained. Hence, the two-way interaction of method and location has no significant effect on students' academic achievement in biology. Meanwhile, since method is significant while the interaction with location is not, it therefore shows that method does not depend on school location to be effective.

**Discussion**

The findings of this study have shown that students taught with system approach had higher academic achievement than those taught with conventional (lecture) method. This conforms with the study of Ezeano, (2013) which stated that adopting system approach enhances students' achievement compared to lecture method. The effectiveness of system approach over lecture method could be attributed to its student-centered and activity-based approach which provides students with the opportunity of having direct contact with their study materials.

This study further found no statistically significant difference in the academic achievement of government and private students in biology. Although the mean achievement scores of government students were higher than that of their private counterparts in the system approach and lecture method, the differences were not statistically significant. This agrees with the report of Jegede (2010) stating no significant difference in the academic achievement of government and private school students in physics. Contrary to this study is the report of Nwogu (2010) that students in government schools performed better than their private counterparts. The finding also disagrees with (Okorie and Ezech, 2016) that there is significant difference in the academic retention of government and private students; the government students' academic achievement was higher than that of their private counterparts.

### Conclusion

The findings further revealed no significant influence of type of school on students' academic achievement in biology, thereby establishing the fact that when biology teachers expose the students to system approach, their academic achievement could be greatly improved irrespective of their type of school. The researcher therefore advocates for the biology teachers to imbibe the use of student-centered and activity-based teaching methods such as the system approach, and deemphasize the use of lecture method in biology teaching and learning.

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# Impacts of Financial Planning And Government Interventions on The Profitability of Small-Scale Firms in Benue State

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## ABSTRACT

*This study examined the impacts of financial planning and government interventions on the profitability of small-scale firms in Benue state. The study was anchored on the contingency theory, agency theory among others. The researcher used mainly primary data from a sample of 164 respondents. The primary data was obtained by the use of a structured questionnaire. The data collected were analyzed using descriptive statistics such as frequency, simple percentage and the relationship between the variables of the model was analyzed using multiple linear regression analysis. The hypotheses of the study were tested using the probability value of the regression estimate. The result of the regression analysis indicates that Risk management has a positive effect on profitability of small-scale enterprises (PS) in Benue State and the effect is statistically significant ( $p < 0.05$ ) and in line with a priori expectation. Cash budgeting (CB) has a positive effect on profitability of small-scale enterprises (PS) in Benue State but the effect is not statistically significant ( $p > 0.05$ ) and in line with a priori expectation. Cash control (CC) has a positive effect on profitability of small-scale enterprises (PS) in Benue State and the effect is statistically significant ( $p < 0.05$ ) and in line with a priori expectation. It was concluded that risk management and cash control and positive and significant predictor of profitability of small-scale firms in Benue State. It was recommended among others that Risk management should be taken seriously by operators of small and medium scale enterprises in Benue State. Proper management of risk will help management to have resources to other productive activities and thus leading to improve productivity*

**Keywords:** *Financial Planning, Profitability, SMEs, Budgeting, Cash Control.*

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## **INTRODUCTION**

Considering global perspectives, Financial planning is a very important function of any business, but one that often gets overlooked due to the complexity and uncertainty of the business environment. Insufficient financial planning often leads to business failure. Across geographies, sectors and organizational forms, the relevance and importance of financial planning may differ. In developed economies, companies build their financial profiles around prudent financial planning, thus giving prominence to the important element of planning strategic status conferred on financial planning by its significance. In emerging economies, financial planning is the strategic map for large enterprises, while midsize businesses tend not to focus on financial planning and prioritize just-in-time market forecasts. Due to weak law enforcement, an unfavorable business environment, and other external factors in less developed and developing economies, financial planning can be a burden for an enterprise, inhibiting its implementation of the financial plan.

As a core component of financial management, financial planning analyzes financial flows of a company, forecasts the effects of various decisions regarding investments, financing, and dividends, and weights the impact of various options on the financial situation. Because businesses are complex, management should give more consideration to financial planning in order to secure and employ capital resources in the amounts and proportions necessary for remaining factors of production to be as effective as possible. Financial planning is important both in dynamic and perfect economic conditions. It helps management eliminate waste by establishing policies and procedures for closer collaboration among various departments within the organization (Oye, 2006). In recent years, it has been discovered that inadequate financial planning has been causing several business firms to struggle with the challenge of being competitive. Small business has established itself as one of the most important sources of economic prosperity assets underinvested or underinvested are referred to as underinvested assets (Omboga and Okibo, 2016).

Small-scale firm and other businesses succeed in part because they manage their financial resources efficiently and effectively. Research shows that most SSEs do not properly organize their financial resources, majority of small businesses do not give adequate attention to effective and efficient financial management Abdul-Rauf (2016). Kofi, et al (2014) argued that small businesses often encounter a number of issues, including poor accounting practices, below-priced products and the mistaken belief that an expert in the field is actually an expert in it. In the technical field, they could also be experts in other fields, but their failure to survive was largely due to mismanagement of money. According to the authors, financial management is essential to the survival of every business venture since it directly impacts the profitability of the business.

Small scale firms are considered the backbone of economic health in every country, including Nigeria (Rajesh, Surash, and Deshmukh, 2008). According to the Ministry of Trade and Investment (2011), they account for 97.2% of Nigeria's companies. SMEs have disappointed to a greater degree than expected in Nigeria (Osoimehin, 2012). The country continues to struggle with 19.7% unemployment rate (CIA, 2010) and widespread poverty that affects more than half of the population. There is not much effectiveness among small firms in this part of the world. Few small enterprises survive beyond the onset of aging, physical incapacitation, or death of their owners, and the majority die soon after their establishment. Africa has a 50 percent failure rate for small businesses (Adelakun, 2008; Ebiringa, 2011).

According to International Leadership and Management Centre (ILMC,2010) many small-scale firms in Makurdi, Benue State are facing challenges due to poor financial planning practices, low entrepreneur and business skills, weak market linkages and unfavourable business environment. Hadi (2012) enlightened that some SSF in Makurdi, Benue State are not functioning smoothly due to inadequate funds from financial institutions, because credits in Makurdi, Benue State have been largely pre-dominated by informal trust-based lending practices, where determination of credit-worthiness and mitigation



of counterpart risk were both addressed through familial and clan relationships (Alax, 2006). Since there are few or no empirical studies conducted in Makurdi, Benue State showing whether financial planning practices has an influence on profitability of small and medium enterprises. This need has triggered the researcher to make study on the impacts of financial planning and government interventions on the profitability of small-scale firms in Makurdi, Benue State.

### **Objectives of the Study**

The purpose of this study is to examine the impact of financial planning and government interventions on the profitability of small-scale firms in Benue State. Specifically, this study aims at:

- i. Evaluating the impact of risk management on profitability of small-scale firms in Benue State.
- ii. Assessing the impact of cash budgeting on profitability of small-scale firms in Benue State.
- iii. Ascertaining the impact of cash control on profitability of small-scale firms in Benue State.

### **Research Hypotheses**

- i. Risk management has no significant impact on profitability of small-scale firms in Benue State.
- ii. Cash budgeting has no significant impact on profitability of small-scale firms in Benue State.
- iii. Cash control has no significant impact on profitability of small-scale firms in Benue State.

### **CONCEPTUAL CLARIFICATION**

#### **Financial Planning**

Financial planning refers to the process of developing a robust and detailed target for a company's functions, departments, and operations. In order to achieve long-term objectives, short-term plans and daily objectives need to be aligned (Sivakumar, 2015). According to Eadie (2000), the need to maintain adequate financial balance within an organization is another reason for the drive for financial planning. Organizing the process of financial planning includes gaining an

overview of an organization's vision, developing specific objectives and strategic actions, and making a long-term plan to enhance the organization's financial performance. In the bid for predetermining a predetermined strategic action geared towards causing the vitality and prosperity of the business over the long run, it combines long-term strategic ideas, partial analysis, and impartial analysis of the goals and objectives of the organization (Anthony, 2013).

### **Proxies of financial Planning**

#### **a) Risk Management**

Risk management enables business firms to avoid poor performance and minimizing exposure to risk by establishing appropriate risk environments. It can be accomplished using several risk techniques such as credit, market, operational, business, and management risks, as well as examining and preparing risk evaluation reports as and when they are due and causing a useful risk management process at the top level (Olarere and Omar, 2016).

#### **b) Cash Budgeting**

A cash budget provides an analysis of a company's potential cash inflows and outflows over a given period of time (ACCA, 2012). The Chartered Institute of Management Accountants (2008) also refers to cash budgets as robust budgets that include income and current assets of a firm as well as expected cash inflows and cash outflows.

#### **c) Cash Control**

The concepts and processes of cash control and cash management include credit management, collection, disbursement arrangements, sequences of invoices and debtors' payment policies (Brealey, Myers and Marcus, 2007). In accordance with the (CIBN, 2000) cash management entails planning, evaluating, and understanding the cash operating cycle, as well as the position of cash in order to enhance the ability of the firm to manage its liquidity needs.

#### **Concept of Profitability**

Profitability is used in planning to formulate targets, so it can be used as a performance measure to assess actual results. According to this

study, profitability is defined as a measure of the success of financial planning in a small-scale business to generate the desired profit. Business leaders should aim for profitability as their primary objective. Businesses cannot survive for a long period of time without profitability (Hosfstrand, 2009).

### **The Determinant of a Company's Profitability**

Hunt (2002) identifies that, the following factors play a significant role in determining the profitability of a company.

#### **a. Sales**

Profitability is heavily influenced by sales. According to the current year's sales, the return on sales calculates profits after taxes. In the event of adverse market conditions and economic downturns, companies with high revenue numbers are better prepared. The amount of gross profit earned on sales that is measured by the gross profit margin. A company's profitability can be increased by implementing a good sales strategy.

#### **b. Pricing**

Pricing is an important factor in determining profitability. In order to determine the correct pricing strategy for a business, a thorough analysis must be conducted. In order to maximize profits, a business owner must determine what prices to charge in relation to what competitors are charging. It is important to determine what price customers are willing to pay for a product before developing a pricing strategy.

#### **c. Expenses**

A company must have income that exceeds expenses in order to become profitable. Expenses are the costs associated with resources a company uses to carry out its activities. The company's profits are determined by subtracting expenditures from total revenue and finding what is left over. A company will be able to lower its expenses and improve its profitability if it implements cost-saving measures.

## **Theoretical Review**

### **The Contingency Theory**

The contingency theory was postulated by Pike in 1986. Despite the many financial management ideas, the author focused on presenting the theory behind them. The theory of organizational behavior asserts that several factors influence the functioning of business organizations. These factors include technology and the external environment of the organization (Henri, 2006). Chenhall (2003) contends that these factors contribute to the structure of business firms and have a significant impact on financial structure. In order for the business to function efficiently, the structure of the business must be in balance with the financial operations of the business. During the theory development process, three main corporate issues were reviewed that were expected to influence the development and operation of corporate financial systems. It includes the level of competence, the ordinary investment track record, and the capital budgeting control measures. Consequently, different financial results recorded over time are a result of different accounting systems. There may be several micro-environmental and macro-environmental factors influencing the companies' application of different accounting systems. Hence, resource allocation couple with adequate financial management practices should be adequately caused while properly considering these factors (Pike, 1986).

### **Empirical Review**

In Kalimalwendo (2005), he examined how financial planning was not applied to the development of the cooperative sector and how it undermined the development of the co-operative. In East Africa, many cooperative societies had mismanaged their finances. Some have even been dissolved or shut down entirely as a result of their mismanagement. Research findings also showed that very little financial planning was applied to managing its finances, thus resulting in poor financial performance in the cooperative sector. As such, it was concluded that inadequate use of financial planning resulted in poor management of the cooperative's finances.

Researchers Ajonbadi, Lawal, Badmus and Otokiti (2014) examined the effects of financial

management on small and medium sized enterprises in Nigeria. Based on the results of the study, it was found that the participating firms encourage the use of traditional control tools like stocktaking, quality control, and financial statement auditing quite significantly. The study found that the other forms of control used by participating firms accounted for only a small portion of the total.

As in the study of Akinyomi (2014), a cash management system was evaluated to determine the impact on profitability of Nigerian manufacturing companies. Study findings reveal that return on equity and cash conversion cycle maintain a positive and observable relationship, while cash conversion cycle has an insignificant negative relationship with return on assets.

Oboboga and Okibo (2016) studied the impact of finance planning practices on the growth of small manufacturing firms in Kenya. Data analysis techniques including descriptive and inferential techniques were used and the results of the study indicate that the use of cash budgeting, cash control and cash processing has a direct impact on the growth of small manufacturers.

According to AbdulRauf (2016), Sri Lankan small and medium sized enterprises implement financial management practices. The study resulted in finding that financial planning, control, and working capital management possess a negative significant relationship with financial management, while total quality management and working capital management possess a positive significant relationship with financial management.

A study by Mariana, Puji, and Ayyu (2018) evaluated the relationship between good corporate governance and financial performance within Indonesia. During the study, it was found that CAR and NPL significantly impacted ROA negatively and BOPO significantly impacted ROA negatively. Thus, the study concluded that commercial financial institutions should pay close

attention to the efficiency of their operations in order to further improve profitability.

Abbas and Abu (2019) accessed financial control mechanisms and the profitability performance of manufacturing enterprises in Nigeria. The study resulted that positive significant relationship exists between financial control mechanisms and enterprises' profitability performance. Based on this result, the study revealed that financial control approaches should be further strengthened through the adoption of adequate control system in manufacturing enterprises.

## **METHODOLOGY**

Cross sectional survey research design was used for this study. The target population of this study consists 280 management staff of the 14 selected firms in Makurdi, Benue State because its focused-on profitability of small-scale firm. A convenience sampling technique is followed in this research. The sample size was determined applying the Taro-Yamen's formula, the population is 280 at a 5% ( $5/100=0.05$ ) level of significance. Therefore, the sample size of the study is 171

Primary data essentially cover qualitative data on risk management (RM), cash budgeting (CB), cash control (CC) of the firm. Secondary data on the other hand involves the collection and analysis of published materials and information from other sources such as annual reports and published data. The researcher used a well-structured questionnaire approach for primary data. While, the company's quarterly financial statement was used to obtain secondary data, and these were later integrated results and discussion.

## **Validity of Research Instrument**

In this study, construct validity was tested with the use of factor analytical tool that considered Kaiser-Meyer-Olkin (KMO) and Barlett's Test of Sphericity. To establish the validity of the instrument, the pilot test technique was therefore employed and the result of the study was used to carry out exploratory factor analysis.

**Table 1: Kaiser-Meyer-Olkin and Bartlett’s test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.940
Approx. Chi-Square		2.913
Bartlett's Test of Sphericity	Df	6
	Sig.	.020

Source: Author's Computation using SPSS 23.0

After the pilot test was conducted, the input variable factors used for this study were subjected to explanatory factors analysis to investigate whether the constructs as described in the literature fits the factors derived from the factor analysis. Factor analysis indicates that the KMO (Kaiser- Meyer-Olkin) measure for the study’s

four variable items is 0.940 with Bartlett’s Test of Sphericity (BTS) value to be 6 degree of freedom at level of significant  $p=0.020$ . The KMO result in this analysis surpasses the threshold value of 0.50 as recommended by Hair, Anderson, Tathan, and Black (1995). Therefore, we are confident that our sample and data are adequate for this study.

**Table 2: Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	1.394	34.851	34.851	1.394	34.851	34.851	1.356	33.905	33.905
2	1.101	27.524	62.375	1.101	27.524	62.375	1.139	28.470	62.375
3	.888	22.188	84.563						
4	.617	15.437	100.000						

Extraction Method: Principal Component Analysis.

Source: Author's Computation using SPSS 23.0

The Total Variance Explained Table shows how the variance is divided among the four (4) possible factors. Two factors have eigenvalues (a measure of explained variance) greater than 1.0, which is a common criterion for a factor to be useful. When the Eigenvalue is less than 1.0 the factor explains less information than a single item would have explained. Table 2 shows that the Eigenvalues are 1.394 & 1.101 are all greater than 1. Component one gave a variance of 33.905 while Component 2 produced the variance of 28.470. The Table shows that in the rotated sum

of squared loadings section, three components i.e component 1 and 2 accounts for 62.375 % of the variance of the whole variables of the study. This shows that the variables have moderately strong construct validity.

**Reliability of the Instrument**

This is the consistency between independent measurements of the same phenomenon. It is the stability, dependently and predictability of a measuring instrument. It is also the accuracy or precision of a measuring instrument.

**Table 3: Reliability Statistics**

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.853	.904	4

Source: Author's Computation using SPSS 23.0

Table 3 shows the overall reliability statistics for the instruments is 0.853. Reliability Cronbach

Alpha statistics of 0.70 is considered adequate and reliable for social science study. Hence, the

instrument used for data collection for this study falls above the limit of a reliable instrument for research study.

**Table 4: Total Item Statistics**

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
PS	95.0000	191.789	.560	.988	.832
CB	93.8000	244.905	.865	.840	.755
CS	97.4500	230.050	.504	.773	.803
CC	100.0000	163.474	.681	.770	.743

Source: Author's Computation using SPSS 23.0

As shown in Table 4, an item-total correlation test is performed to check if any item in the set of tests is inconsistent with the averaged behaviour of the others, and thus can be discarded. A reliability analysis was carried out on the variables of the study values scale comprising 4 items. Cronbach's alpha showed the questionnaire to reach

acceptable reliability,  $\alpha = 0.853$ . Most items appeared to be worthy of retention, resulting in a decrease in the alpha if deleted. There is no exception to this in all the variables of the study as none of the items if deleted will improve the overall Cronbach Alpha statistics. As such, none of the variables was removed.

**Regression Model Specification**

The regression model for determinant of respondent's small-scale firm in Makurdi, Benue State is presented as shown below by the traditional regression model:

$$PS = \alpha_0 + \alpha_1 X_1 + \alpha_2 X_2 + \dots + \alpha_n X_n \quad (1)$$

Using the acronyms of the variables of the equations, the implicit form of the model is show below:  
 $PS = f(RM, CB, CC) \quad (2)$

Where,

$X_1$  = Risk management RM

$X_2$  = Cash budgeting CB

$X_3$  = Cash control CC

PSF = Profitability of Small-scale firm

In explicit form, the model can be restated as shown below:

$$PS = f((RM, CB, CC) \quad (3)$$

$$PS = b_0 + b_1 RM + b_2 CB + b_3 CC + U_t \quad (4)$$

$b_0$  = Constant term

$b_1 - b_3$  = Coefficients to be estimated

$U_t$  = Error term

**A priori expectations**

- 1. = Risk management; *a priori* expectation is positive
- 2. = Cash budgeting; *a priori* expectation is positive
- 3. = Cash control; *a priori* expectation is positive

**Data Analysis Techniques**

Data was analyzed using both descriptive and inferential statistics. Statistical tally system was used to generate frequency counts from the responses so as to prepare frequency distributions.

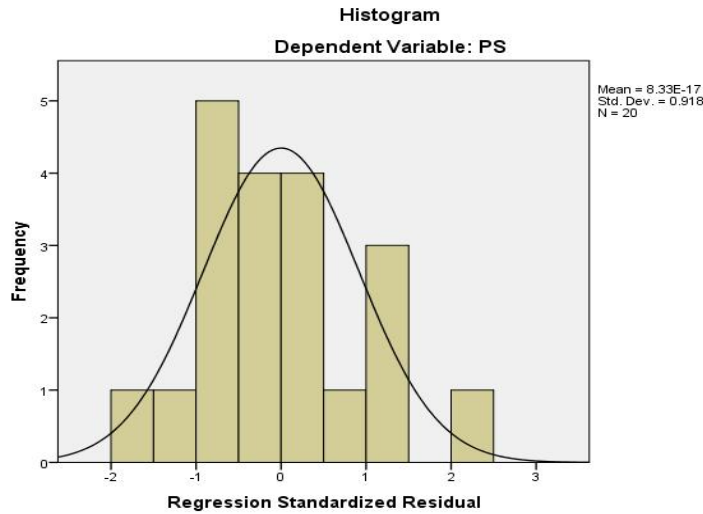
Percentages was calculated from the responses out of the total study sample response per item. The hypotheses were tested using Pearson's correlations, analysis of variance multiple Regressions and Statistical Package for Social

Sciences (SPSS).

**RESULTS AND DISCUSSION**

**Regression Results and Discussion**

Normality Assumptions for Profitability of Small-Scale Enterprises (PS) Model



**Figure 1:** Regression Standardized Residual the Study Model

Source: Author's Computation using SPSS 23.0

Figure 3 above shows a histogram of the residuals with a normal curve superimposed. The residuals look close to normal, implying a normal distribution of data. Here is a plot of the residuals versus predicted dependent variable of profitability of small-scale enterprises (PS). The pattern shown above indicates no problems with the assumption that the residuals are normally distributed at each level of the dependent variable

and constant in variance across levels of the independent variable. It is very unlikely that a histogram of sample data will produce a perfectly smooth normal curve like the one displayed over the histogram, especially if the sample size is small. As long as the data is approximately normally distributed, with a peak in the middle and fairly symmetrical, the assumption of normality has been met.

**Table 5: Statistical Significance**

ANOVA<sup>a</sup>

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	28.733	3	9.578	.164	.019 <sup>b</sup>
Residual	933.017	16	58.314		
Total	961.750	19			

a. Dependent Variable: PS

b. Predictors: (Constant), CC, CB, CS

Source: Author's Computation using SPSS 23.0

The F-ratio in the ANOVA Table 5 tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predicts the dependent variable  $F(3, 16) = 0.164, p = 0.019^b$  (i.e., the regression model is a good fit of the data).



**Table 6: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.973 <sup>a</sup>	.830	.752	4.63633

a. Predictors: (Constant), CC, CB, CS

b. Dependent Variable: PS

Source: Author's Computation using SPSS 23.0

Table 6 shows the coefficient of determination  $R^2$  for the study is 0.830 or 83.0%. This indicates that 83.0% of the variations in the model can be explained by the explanatory variables of the model while 17.0 % of the variation can be attributed to unexplained variation captured by the stochastic term. The Adjusted R Square and  $R^2$  show a negligible penalty (75.2 %) for the explanatory variables introduced by the researcher.

**Table 7: Regression coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	26.170	12.829		2.040	.058		
	CB	.744	.209	.558	3.560	.013	.872	1.147
	CS	.119	.225	.139	.526	.606	.867	1.153
	CC	.809	.193	.104	4.192	.008	.993	1.007

a. Dependent Variable: PS

Source: Author's Computation using SPSS 23.0

**Discussion of Findings**

**a) Impact of risk management on profitability of small-scale firms in Benue State**

The regression result from Table 7 shows that risk management has a positive effect on profitability of small-scale enterprises (PS) in Benue State and the effect is statistically significant ( $p < 0.05$ ) and in line with a priori expectation. This means that a unit increases in risk management (RM) variable will result to a corresponding increase in profitability of small-scale enterprises (PS) in Benue State by a margin of 55.8%. Using the probability value of the estimate,  $p(b_2) >$  critical value of 0.05 confidence level. Thus, we accept the null hypothesis. That is, we accept that the estimate  $b_2$  is not statistically significant at the 5% level of significance. This implies that cash budgeting has no significant impact on profitability of small-scale firms in Benue State. This finding is not in line with that of Kalimalwendo (2005) who carried out a study on the weak application of financial planning and budgeting in the development of the co-operative sector analyzing how financial planning was not been applied. The researcher found a very little

financial planning in managing finances which resulted in weak application of financial planning leading to poor management of the cooperative finances and poor financial performance of the cooperative sector. Also, Mardiana, Puji and Ayyu (2018) who examined the effect of risk management on financial performance with good corporate governance in Indonesia found that risk management which was represented by capital adequacy ratio (CAR), non-performing loan (NPL) and operating efficiency (BOPO) exerted a negative and insignificant effect on performance proxied by ROA, and BOPO exerted a negative and significant effect on ROA. The positive effect of risk management on profitability of small-scale enterprises (PS) in Benue State could be as a result of management efficiency in ensuring prudent use of resources and efficient management practice.

**b) Impact of cash budgeting on profitability of small-scale firms in Benue State.**

Cash budgeting (CB) has a positive effect on profitability of small-scale enterprises (PS) in Benue State but the effect is not statistically

significant ( $p > 0.05$ ) and in line with *a priori* expectation. This means that a unit increase in Cash budgeting (CB) variable will result to a corresponding increase in profitability of small-scale enterprises (PS) in Benue State by a margin of 13.9%. Using the probability value of the estimate,  $p(b_1) < \text{critical value of } 0.05$  confidence level. Thus, we reject the null hypothesis. That is, we accept that the estimate  $b_1$  is statistically significant at the 5% level of significance. This implies that risk management has a significant impact on profitability of small-scale firms in Benue State. This finding is in line with that of Akinyomi (2014) who appraised the effect of cash management on the profitability of Nigerian manufacturing firms and found a positive and noticeable connection exists between return on equity and cash conversion cycle while an insignificant negative connection was discovered between cash conversion cycle and return on assets. The variables of Akinyomi (2014) is those of cash management which is also within the realm of cash budgeting. Hence, the finding shows similar trend with that found in the current study

### c) Impact of cash control on profitability of small-scale firms in Benue State

Cash control (CC) has a positive effect on profitability of small-scale enterprises (PS) in Benue State and the effect is statistically significant ( $p < 0.05$ ) and in line with *a priori* expectation. This means that a unit increase in Cash control (CB) variable will result to a corresponding increase in profitability of small-scale enterprises (PS) in Benue State by a margin of 10.4%. Using the probability value of the estimate,  $p(b_3) < \text{critical value of } 0.05$  confidence level.

Thus, we accept the null hypothesis. That is, we accept that the estimate  $b_3$  is not statistically significant at the 5% level of significance. This implies that cash control has a significant impact on profitability of small-scale firms in Benue State. This finding is in tandem with that of Omoboga and Okibo (2016) who examined the effects of financial planning practices on the growth of small manufacturing firms in Kenya and found that cash control and cash budgeting affects the growth of small manufacturing firms in Kenya.

## CONCLUSIONS AND RECOMMENDATIONS

### Conclusion

This study examined the impacts of financial planning and government interventions on the profitability of small-scale firms in Benue State. According to literature review, firms in Benue State Nigeria need to develop financial plans for growth and performance in the harsh business environment in which they operate, and the government must intervene with relevant policies to ensure that such an environment exists for the operators of small and medium scale enterprises. As a result, the government needs to take serious steps to restructure and make better use of available resources by using policies that are aimed at changing the direction of the economy. To ensure that those policies are well understood, one should aim at increasing awareness of the positive impact that small scale industries can have on the economy. The results of this study indicate that risk management and cash control are significant and positively associated with small-scale firm profitability in Benue State, while cash budgeting is positively associated with small-scale firm profitability in Benue State, but it is not significantly associated with this profitability.

The secret to the success of business enterprises and firms can be traced to the beneficial and significant effects which financial planning and government policies bring to business operations.

### Recommendations

On the basis of the findings of the study, the following recommendations were made:

- i. It is imperative that operators of small and medium scale enterprises in Benue State take risk management seriously. Managing risk properly will allow management to focus resources on other productive activities, which will lead to higher productivity.
- ii. As a result of cash budgeting, productivity benefits by allocating the right amount to every unit of activity. It is recommended that operators of small and medium-sized enterprises in Benue State employ the services of experts who will guide them on how to implement cash budgeting so that they can increase profitability. It is

recommended that operators of small and medium-sized enterprises in Benue State employ the services of experts who will guide them on how to implement cash budgeting so that they can increase profitability.

- iii. Profitability is directly related to the efficiency and effectiveness of managing cash in a business. It is proven that a business' ability to effectively control cash significantly impacts profitability. It is recommended that entrepreneurs in the study area learn how to manage working capital so that they know the optimum level of cash to hold and how to invest so as to maintain a balance.

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# Corporate Culture And Business Performance Of Deposit Money Banks In Nigeria

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## ABSTRACT

*The broad objective of the study is to determine the effect of Corporate Culture on business performance of Deposit Money Banks in Nigeria. The research method adopted was descriptive research design using both secondary and primary self-administered questionnaire of five (5) Points Likert Scale, to gather data for independent and dependent variables respectively. The sample size adopted was 208 respondents from a population of 85676 which consists of employees from all Deposit Money Banks in Nigeria and financial annual report of the banks from 2005-2020. A multi-regression analysis technique was adapted and with the aid of SPSS, dependent and independents variables were tested. The study revealed that Clan Culture and Market Culture are the only two types of corporate culture dimensions with significant effect on organizational performance. The study conclusion is the clan culture and market culture had significant and positive effect on net assets of deposit money banks in Nigeria. The study recommends among others that Deposit Money Banks should encourage a culture in which employees are allowed to understand how the organizations operate their vision, mission and goals that guide all stakeholders for the overall organizational performance.*

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## **1.1 Introduction**

Organizational culture includes the norms that the members of an organization experience and describe as their work settings. Such norms shape how members behave and adapt to get results in the organization. The enhancement in business performance is the function of norms, values and objectives that helps to enhancing the culture of an organization (Awadh & Saad, 2013; Erdorf, Hartmann-Wendels, Heinrichs & Matz, 2013). Corporate culture comprises the unwritten customs, behaviors and beliefs that determine the rules of the game for decision-making, structure and power. It is based on the shared history and traditions of the organization combined with current leadership values. In effect, culture dictates the way we do business here and the organizational survival tactics that facilitate assimilation and personal success (Dave & Jeanne, 2011). With a strong corporate culture, employees do things because they believe it is the right thing to do and feel they will be rewarded for their actions.

This research applied corporate culture based on the model as suggested by Robert E. Quinn and Kim S. Cameron at the University of Michigan at Ann Arbor (Quinn & Cameron, 2011); there are four diagnosing and changing of corporate culture: Clan culture-which is a corporate culture that emphasizes the internal maintenance of organizational structures and processes, using flexibility, concern for people, and sensitivity toward customers .Adhocracy culture- which is the adaptability of an informal form of organization that is defined by a lack of formal structure that employs specialized multidisciplinary teams grouped by functions.

## **1.2 Statement of the Problem**

In Nigeria, banking industry has witnessed a lot of financial reforms to include, To enhance the quality of banks in Nigeria; to enhance financial stability, and by implication economic stability; to bring about healthy financial sector evolution that will result in the much-desired financial sector inclusiveness; and to ensure that the financial sector contributes to the real sector of the economy and most recently the 2004 bank consolidation policy reforms (Nelson & Ojukwu 2009). The bid was to strengthen the capital base

of Deposit Money Banks, so that they could override their liquidity challenges, which could transmit to their overall performance. To what extent could this challenges be alluded to the corporate culture of an organization, given that cases of poor corporate culture has the propensity of affecting the performance of Deposit Money banks in Nigeria.

## **1.3 Objectives**

- i.** Evaluate the effect of Clan culture on net assets of deposit money banks in Nigeria.
- ii.** Examine the effect of Adhocracy culture on the profitability of deposit money banks in Nigeria.
- iii.** Ascertain the effect of Market culture on the profitability of deposit money banks in Nigeria.

## **1.5 Research Hypotheses**

- HO<sub>1</sub>** Clan culture has no significant effect on the profitability of deposit money banks in Nigeria.
- HO<sub>2</sub>** Market culture has no significant effect on the profitability of deposit money banks in Nigeria.
- HO<sub>3</sub>** Adhocracy culture has no significant effect on the profitability of deposit money banks in Nigeria.

## **2.0 Review of Related Literature**

### **2.1 Organization Culture**

**Organizational Culture;** Sun (2008) defines organizational culture as the set of theory of important values, beliefs, and understandings that members share in common, which help managers to make decision and arrange activities of the organization. Pettigrew and Samad (2013) defined culture in a form of beliefs, values, knowledge and needs. This definition focuses on the collective nature of organization culture in which people will collectively accept certain things and use the knowledge gained to interpret the processes and relationships that evolve in the organization. This organization culture embraces issues like Clan culture, Market culture, Adhocracy culture and Hierarchy culture.



### 2.1.1 Adhocracy culture

Adhocracy culture is characterized as a dynamic, entrepreneurial, innovative and creative workplace (Cameron, 2004; Cameron & Quinn, 2006; Tseng, 2010). It emphasizes new product and service development, adaptability, growth, change, productivity, efficiency and experimentation (Cameron, 2004; Cameron & Quinn, 2006; Tseng, 2010). These characteristics reflect external orientation and have better developed knowledge conversion and corporate performance (Tseng, 2010). Corporate culture that is characterized with adaptability to its external environment has the potential to positively affect performance outcomes (Kim, Lee & Yu, 2004). Ogbonna and Harris (2000) reported that competitive and innovative cultures are positively related to organizational performance. Fekete and Skei (2011), affect financial performance of the firms.

### 2.1.2 Market Culture

A market culture is regarded as a results-oriented workplace with emphasis on winning, outpacing the competition, escalating share price, and market leadership (Cameron, 2004; Cameron & Quinn, 2006). Staying close to one's customer can result in timely market information, joint product development activities, and intense brand loyalties, leading to better financial performance (Peters & Waterman, 2012). Organizational culture can also affect performance provided that they are able to adapt to its environment (relevant to its industry and business conditions) (Kim, Lee & Yu, 2004; Kotter & Heskett, 2012; Saffold, 1988). Han, Kim and Srivasta (2008) argued that market-oriented corporate culture has been increasingly considered a key element of superior corporate performance. In their study, they found that market-oriented corporate culture facilitate organizational innovativeness, which in turn affect firm performance. These researchers argued that market culture emphasize outer surroundings and focuses on effectiveness, efficiency and competitiveness, which in turn improve the performance outcomes.

### 2.1.3 Clan Culture

Cameron (2004) understands clan culture as a friendly place with an extended family working

together. The clan culture is characterized with loyalty, morale, commitment, tradition, collaboration, teamwork, participation, consensus, and individual development (Cameron, 2004; Cameron & Quinn, 2006; Tseng, 2010). Tseng (2010) argued that clan culture emphasizes the long-term benefit of human resources development with high cohesion and morale, but it is also prudent and conservative. It is related to corporate performance yet its impact on corporate performance is not the best, compared to the other dimensions. Tseng (2010) further argued that business performance comes from interdependent behavior like cooperation, knowledge sharing, and mutual assistance. Ogbonna and Haris (2000) found no relationship between business performance and community cultures. Fekete and Skei (2011) reported that clan culture is positively related to financial performance of the firms. Fekete and Skei (2011) claim that devotedness to the organization; loyalty and tradition are the underlying factors behind this positive relationship. Clan culture displays several characteristics in the workplace that are likely to have positive impact on performance outcomes.

## 2.2 Business Performance

Performance could be defined simply in terms of the achievement of quantified objectives. But performance is not only a matter of what people achieves but also how they are achieving it. A high performance result comes from appropriate behavior and the effective use of required knowledge, skills and competencies.

### 2.2.1 Profitability

Profit is an absolute number determined by the amount of income or revenue above and beyond the costs or expenses a company incurs. It is calculated as total revenue minus total expenses and appears on a company's income statement. No matter the size or scope of the business or the industry in which it operates, a company's objective is always to make a profit (Fridson, & Alvarez, 2002).

### 2.2.2 Net Assets

The **net asset** is the value of capital that an organization owed minus liability. A bank's balance sheet operates in much the same way. A

bank's net worth is also referred to as bank capital. A bank has assets such as cash held in its vaults, monies that the bank holds at the Federal Reserve (2004)

bank (called "reserves"), loans that are made to customers, and bonds (Boggs,

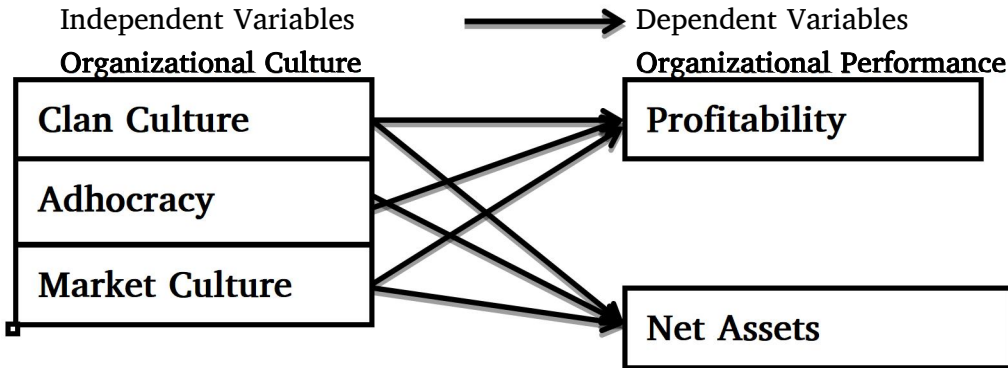


Figure 2.1: Proposed Conceptual Model for the Study

Source: Cameron and Quinn (2006)

### 2.3 Empirical Review

Some studies have been conducted in relation to corporate culture and employee's performance in different organizations. The following are the ones reviewed in respect to this study.

Oguntoke and Binuyo (2021) examined the effect of ethical business culture on cost-leadership in deposit money banks in Nigeria. Cross sectional survey research design was adopted and the population was 34,162 and a sample of 849 was determined using Cochran formula in addition to an attrition rate of 30%. The study used the proportionate sampling technique. Data were collected using an adapted, structured, and validated questionnaire. The response rate was 78.2%. Data collected were analyzed using Structural Equation Model (SEM). The finding revealed that ethical business culture had a significant effect on cost-leadership. The study recommended that management and board of deposit money banks in Nigeria should adopt a sound ethical business culture in order to reduce cost of operation and ultimately enhance cost-leadership. The studies suffer in the aspect of conclusion, since we could hardly determine exactly what the conclusion from the study was.

Helen and Olumide (2020) examined the effect of organizational culture and job involvement on the

organizational performance of deposit money banks in Nigeria. Primary data was used for the study through an exploratory survey method. The population of the study consisted of all employees in the deposit money banks in Nigeria and 250 questionnaires were administered using a Taro Yamane formula. The data gathering tools were structured questionnaires designed by the researcher to gather data from the respondents on organizational culture, job involvement, and organizational performance within the context of deposit money banks in Nigeria. Descriptive and inferential statistics (Multiple regression analysis) were used to analyze the data.

Nwakoby and Jane (2019) determined the Effect of organizational culture on employee performance in selected deposit money banks in Enugu State, Nigeria. Specifically, the study intent to: ascertain the extent bureaucratic culture has significant influence on employees' performance of deposit money banks and determine whether innovative culture has significant influence on employees' performance of deposit money banks. Survey research design was employed for this study. The data were collected through the questionnaires administered to the respondents. The formulated hypotheses were tested with regression analysis. The result shows that bureaucratic culture does not significantly affect employee performance of deposit money banks.

Another finding is that innovative culture has significant affect employee performance of deposit money banks. The study therefore, recommended among other things that the management of deposit money banks should develop cultures that will enhance performance, having the interest of their customers and employees at heart. The study suffers the agony of methodological design.

Cameron (2004) understands clan culture as a friendly place with an extended family working together. The clan culture is characterized with loyalty, morale, commitment, tradition, collaboration, teamwork, participation, consensus, and individual development (Cameron, 2004; Cameron & Quinn, 2006; Tseng, 2010). Tseng (2010) argued that clan culture emphasizes the long-term benefit of human resources development with high cohesion and morale, but it is also prudent and conservative. It is related to corporate performance yet its impact on corporate performance is not the best, compared to the other dimensions. Tseng (2010) further argued that business performance comes from interdependent behavior like cooperation, knowledge sharing, and mutual assistance. Ogbonna and Haris (2000) found no relationship between business performance and community cultures. Fekete and Skei (2011) reported that clan culture is positively related to financial performance of the firms. Fekete and Skei (2011) claim that devotedness to the organization; loyalty and tradition are the underlying factors behind this positive relationship. Clan culture displays several characteristics in the workplace that are likely to have positive impact on performance outcomes.

#### **2.4. Theoretical Framework**

Several theories have been formulated to show the inherent connection between organizational practices and performance. Some theoretical models assert that organizational culture create a positive impact on employees' attitudes and behaviors which in turn influence their performance (Ferris, 1998). In this study, the theories that informed the study and helped to describe, explain, predict and control the problem under investigation included Schein's theory, Cameron and Quinn Theory and the theory of

organizational excellence. This study specifically anchored on Cameron and Quinn Theory (1999) because of the importance dynamic cultural interactive within the banking sector that may be related to this theoretical construct to enable them achieve their set goals.

Besides, Cameron and Quinn Theory (1999) found that the cultural constructs have impacts on performance. However, they did not empirically explore the interactive process between organizations and environment. Also, their study was conducted in American education organizations. It remains unknown if their conclusion can be generalized to business organizations like the banking industry in developing economies.

Edgar and Schein (2004) proposed a model of an organizational culture where the basic assumptions shape values and the values shape practices and behavior, which is the visible part of the culture. According to the organizational behavior literature the theory of corporate culture has four key characteristics. First, organizational culture is a shared phenomenon (Schein, 1997; Wilson, 2001; Baumgartner, 2009). Second, organizational culture has visible and less visible levels (Schein, 1997; Wilson, 2001; Baumgartner, 2009). Third, each new member of the organization learns the culture (Wilson, 2001; Baumgartner, 2009) especially with socialization. Finally, culture tends to change slowly over time (Wilson, 2001; Baumgartner, 2009) the synergistic structure formed by employees of the organization who shared same values, beliefs and moving towards common goals.

#### **3.0 Research Method**

The research method adopted here is descriptive research approach where quantitative technique was employed using face to face self-administered questionnaire in order to establish relationship from the studied variables. The rationale behind the use of this approach is that it does not usually follow a rigid and tightly woven plan, but it rather sanctions inquiry into selected issues in great depth, and also allows for flexibility in terms of data collection and analysis (Erikson & Kovalainen, 2008).

### 3.1 Research Design

The research method adopted here is descriptive research approach where quantitative technique was employed using face to face self-administered questionnaire in order to establish relationship from the studied variables. The rationale behind the use of this approach is that it does not usually follow a rigid and tightly woven plan, but it rather sanctions inquiry into selected issues in great depth, and also allows for flexibility in terms of data collection and analysis (Erikson & Kovalainen, 2008).

### 3.2 Population of the Study

The population for the study consists of Eighty-five thousand six hundred and seventy six (85676) employees of deposit money banks in Nigeria

### 3.3 Sampling Technique

To ensure a fair distribution of the questionnaire among the banks, a random sampling technique was utilized, two hundred and eight (208) employees from all the deposit money banks in Nigeria.

### 4.0 Data Presentation and Analyses

The researcher distributed questionnaire for primary data collection which the employees from selected Deposit money Banks provided the necessary information. The answers supplied by the respondents according to the questionnaire were presented in tables and subsequently analyses were done with interpretation as thus:

**Table 4.1: the descriptive statistics of Clan Culture using cut-off mean**

Clan Culture						CUT-OFF
Questions	SA	A	N	D	SD	MEAN
The organization is very personal place. It is like an extended family. People seem to share a lot of themselves	75	92	33	6	2	<b>4.12</b>
The leadership in the organization is generally considered to exemplify mentoring, facilitating or nurturing	37	67	59	38	7	<b>3.43</b>
The management style in the organization is characterized by teamwork, consensus and participation.	137	63	7	1	0	<b>4.62</b>
The glue that holds the organization together is loyalty, mutual trust. Commitment to this organization runs high.	145	56	5	2	0	<b>4.65</b>
The organization emphasizes human development. High trust, openness, and participation persist.	42	70	68	24	4	<b>3.59</b>
The organization defines success on the basis of the development of human resources, teamwork, employee commitment, and concern for people.	37	69	39	51	12	<b>3.33</b>
<b>Average</b>	<b>79</b>	<b>70</b>	<b>35</b>	<b>20</b>	<b>4</b>	<b>3.95</b>

Table 4.1 shows the responses of the respondents on clan culture. The table reveals that 167 (representing 80%) of the respondents agreed that the organization is very personal place. It is like an extended family. People seem to share a lot among them. Also, 33 (representing 16%) of the respondents were neutral while 8 (representing 4%) disagreed. With a cut-off mean of 4.12, it can be concluded that majority of the respondents (82.4%) agreed that the organization is not just a

personal place but an extended family were people seem to share a lot of among them.

The table also contains information concerning leadership in the organization as generally considered to exemplify mentoring, facilitating or nurturing. From the responses, 104 (representing 50%) of the respondents agreed, 59 (representing 28%) were neutral while 45 (representing 22%) disagreed. A cut-off mean value of 3.43 signifies that 68.6% of the respondents were neutral in their responding to the question.

On whether the glue that holds the organization together is loyalty, mutual trust and that commitment to this organization runs high, 201 (representing 97%) of the respondents agreed, 5 (representing 2%) of the respondents were neutral while 2 (representing 1%) of the respondents disagreed. A cut-off mean value of 4.65 implies that 93% of the respondents generally agreed that the glue that holds the organization together is loyalty, mutual trust and that commitment to this organization runs high when these virtues are upheld.

On whether when an organization emphasizes human development, high trust, openness, and participation persists, 112 (representing 54%) of the respondents agreed, 68 (representing 33%) of the respondents were neutral while 28

(representing 13%) disagreed. A cut-off mean value of 3.59 shows that 71.8 % of the respondents agreed that when an organization emphasizes human development, high trust, openness, and participation persists.

This analysis is concluded with a summary of the respondents' responses on clan culture. The table finally reveals that 149 (representing 72%) of the respondents agreed the clan culture is an aspect of corporate culture that is very necessary in an organization, 35 (representing 19%) were neutral while 24 (representing 10%) disagreed. A general cut-off mean of 3.95 (79%) implies that the respondents generally agreed that clan culture can lead to higher profitability and net worth of the organization.

**Table 4.2: Descriptive statistics on adhocracy culture**

AC Questions	SA	A	N	D	SD	CUT-OFF MEAN
The organization is a very dynamic and entrepreneurial place. People are willing to stick their necks out and take risks	119	46	22	13	8	4.23
The leadership in the organization is generally considered to exemplify entrepreneurship, innovation or risk taking.	162	41	3	0	2	4.74
The management style in the organization is characterized by individual risk taking, innovation, freedom and uniqueness.	60	124	12	12	0	4.12
The glue that holds the organization together is commitment to innovation and development. There is an emphasis on being on the cutting edge.	38	65	47	51	7	3.37
The organization emphasizes acquiring new resources and creating new challenges. Trying new things and prospecting for opportunities are valued.	75	95	12	6	20	3.96
The organization defines success on the basis of having the most unique or newest products. It is a product leader and innovator.	69	87	10	12	30	3.74
<b>Average</b>	<b>78</b>	<b>78</b>	<b>34</b>	<b>17</b>	<b>2</b>	<b>4.02</b>

Table 4.2 shows the responses to adhocracy culture. A question that if an organization is a very dynamic and entrepreneurial place, people are willing to stick their necks out and take risks, 165 ((representing 79%) of the respondents agreed, 22 (representing 11%) of the respondents were neutral while 21 (representing 10%) disagreed. With a cut-off

mean of 4.23, it can be concluded that majority of the respondents (84.6%) agreed that if an organization is a very dynamic and entrepreneurial place, people are willing to stick their necks out and take risks

The table also sought to find out whether leadership in the organization is generally considered to exemplify entrepreneurship, innovation or risk taking. From the responses, 203



(representing 98%) of the respondents agreed, 3 (representing 1%) were neutral while 2 (representing 1%) disagreed. A cut-off mean value of 4.74 signifies that 94.8% of the respondents agreed that the leadership in the organization is generally considered to exemplify entrepreneurship, innovation or risk taking.

More so, on whether the management style in the organization is characterized by individual risk taking, innovation, freedom and uniqueness, 184 (representing 88%) of the respondents agreed, 12 (representing 6%) were neutral while 12 (representing 6%) disagreed. A cut of mean of 4.12 shows that the respondents generally agreed (82.4%) that the management style in the organization is characterized by individual risk taking, innovation, freedom and uniqueness

On whether the glue that holds the organization together is commitment to innovation and development when there is an emphasis on being on the cutting edge, 103 (representing 50%) of the respondents agreed, 47 (representing 23%) of the respondents were neutral while 58 (representing 27%) of the respondents disagreed. A cut-off mean value of 3.37 implies that 67.4% of the respondents generally agreed that the glue that holds the organization together is commitment to innovation and development. There is an emphasis on being on the cutting edge.

On whether when the organization emphasizes acquiring new resources and creating new challenges, trying new things and prospecting for opportunities are valued,

170 (representing 82%) of the respondents agreed, 12 (representing 6%) of the respondents were neutral while 26 (representing 12%) disagreed. A cut-off mean value of 3.96 shows that 79.2 % of the respondents agreed that when the organization emphasizes acquiring new resources and creating new challenges, trying new things and prospecting for opportunities are valued

On when organization defines success on the basis of having the most unique or newest products, it is a product leader and innovator, 156 (representing 75%) of the respondents agreed, 10 (representing 5%) were neutral while 42 (representing 20%) disagreed. The cut-off mean value of 3.74 indicates that majority of the respondents (74.8%) were neutral that when an organization defines success on the basis of having the most unique or newest products, it is a product leader and innovator.

Finally, a summary of the respondents' responses on adhocracy culture reveals that 163 (representing 78%) of the respondents agreed the adhocracy culture is a sound aspect of corporate culture that helps an organization, 18 (representing 9%) were neutral while 27 (representing 13%) disagreed. A general cut=off mean of 4.04 (80.8%) implies that majority of the respondents generally agreed that adhocracy culture can also lead to higher profitability and net worth of the organization

**Table 4.3: Descriptive Statistics for Market culture**

MC Questions	MC					CUT-OFF
	SA	A	N	D	SD	MEAN
The organization is very result-oriented. A major concern is getting the job done. People are very competitive and achievement oriented.	65	86	41	13	3	<b>3.95</b>
The leadership in the organization is generally considered to exemplify a no-nonsense, aggressive, results-oriented focus.	40	98	46	24	0	<b>3.74</b>



The management style in the organization is characterized by hard-driving competitiveness, high demands, and achievement.	125	73	9	0	1	<b>4.54</b>
The glue that holds the organization together is the emphasis on achievement and goal accomplishment.	158	35	12	2	1	<b>4.67</b>
The organization emphasizes competitive actions and achievement. Hitting stretch targets and winning in the marketplace are dominant.	49	90	45	21	3	<b>3.77</b>
The organization defines success on the basis of winning in the marketplace and outpacing the competition. Competitive market leadership is key	30	85	48	39	6	<b>3.45</b>
<b>Average</b>	<b>78</b>	<b>78</b>	<b>34</b>	<b>17</b>	<b>2</b>	<b>4.02</b>

Table 4.3 shows the descriptive statistics containing responses for market culture. On when an organization is very result-oriented, a major concern is getting the job done and People are very competitive and achievement oriented, 151(representing 73%) of the respondents, 41 (representing 20%) of the respondents were neutral while 16 (representing 7%) disagreed. With a cut-off mean of 3.95, it can be concluded that majority of the respondents (79%) agreed that when an organization is very result-oriented, a major concern is getting the job done and people are very competitive and achievement oriented. On whether leadership in the organization is generally considered to exemplify a no-nonsense, aggressive, results-oriented focus, 138 (representing 66%) of the respondents agreed, 46 (representing 22%) were neutral while 24 (representing 12%) disagreed. A cut-off mean value of 3.74 signifies that 74.8% of the respondents agreed in their responses to the question.

More so, on whether the management style in the organization is characterized by hard-driving competitiveness, high demands, and achievement, 198 (representing 95%) of the respondents agreed, 9 (representing 4%) were neutral while 1 (representing 1%) disagreed. A cut of mean of 4.54 shows that the respondents generally agreed (90.8%) that the management style in the organization is characterized by hard-driving competitiveness, high demands, and achievement.

On whether the glue that holds the organization together is the emphasis on achievement and goal accomplishment, 193

(representing 93%) of the respondents agreed, 12 (representing 6%) of the respondents were neutral while 3 (representing 1%) of the respondents disagreed. A cut-off mean value of 4.67 implies that 93.4% of the respondents generally agreed that the glue which holds the organization together is the emphasis on achievement and goal accomplishment.

On whether the organization emphasizes competitive actions and achievement, hitting stretch targets and winning in the marketplace are dominant, 139 (representing 67%) of the respondents agreed, 45 (representing 22%) of the respondents were neutral while 24 (representing 11%) disagreed. A cut-off mean value of 3.77 shows that 75.4% of the respondents agreed that when an organization emphasizes competitive actions and achievement, hitting stretch targets and winning in the marketplace becomes dominant.

The question which explored whether when an organization defines success on the basis of winning in the marketplace and outpacing the competition, competitive market leadership is the key, 115 (representing 55%) of the respondents agreed, 48 (representing 23%) were neutral while 45 (representing 22%) disagreed. The cut-off mean value of 3.45 indicates that majority of the respondents (69%) were neutral that when an organization defines success on the basis of winning in the marketplace and outpacing the competition, competitive market leadership is the key,

Summarily, the respondents' responses on market culture reveals that 156 (representing 75%) of the respondents agreed the market culture is an aspect of corporate culture that is relevant in an organization, 34 (representing 16%) were neutral while 19 (representing 9%) disagreed. A general cut-off mean of 4.02 (80.4%) implies that the respondents generally agreed that market culture is a veritable tool for organizational achievement.

### **5.0 Discussion of Findings**

The model for this study has four dimensions of corporate culture adopted which are Clan culture (CC), Adhocracy culture (AC) and Market culture (MC) on both profitability and net assets of Deposit Money Banks in Nigeria. The threshold for accepting or rejecting this result is that, if the significance value calculated is  $> 0.05$ , the finding is said to be insignificant but otherwise ( $\leq 0.05$ ) is considered being significant. Based on the above threshold, it is revealed that Clan culture (CC) has a negative insignificant on profitability of listed DMBs in Nigeria.

From all indications, conclusion can be drawn than Clan culture (CC) and Market culture have significant and positive effect on net assets of deposit money banks in Nigeria. This finding is consistent with previous studies by Xenikou and Simosi (2016), Samad (2012), Schein (2019), Gordon and DiTomaso (2019), Dension (2018), Kotter and Heskett (2012) and therefore provided further evidence that corporate culture has affected on organizational performance.

The findings also portray no significant result regarding the adhocracy culture (AC) and Hierarchy culture (HC) in respect of both profitability and net assets of deposit money banks in Nigeria. This finding is inconsistent with other previous studies. For example, with regards to the relation between organizational culture and profitability, there is evidence that the adhocracy culture is also the culture with the lowest positive effect on profitability which is against the study of Naranjo-Valenciaa, Jiménez-Jiménez and Sanz-Valle (2016) also inconsistent with the effect of the hierarchy culture as having negative effect on profitability (Naranjo-Valenciaa, Jiménez-Jiménez

& Sanz-Valle, 2016). The Adhocracy culture (AC) and market culture (MC) were found to have no statistically significant effect on firm profitability. The finding implies that, adhocracy culture can occur only if the organizational culture fosters innovation among the employees whereas the positive effect of adhocracy can be seen and the negative effect of hierarchy culture occurs because the culture does not promote innovation in the deposit money banks.

The study reveals that none of the dimensions of corporate cultural have significant effect on profitability of deposit money banks in Nigeria. The study is consistent with Daft (2012), Samad and Yusuf (2012) who posit negative significant correlation of corporate culture and organizational performance. This is also inconsistent with the study by Xenikou and Simosi (2016), Saffold (2018) result revealed that all of the organizational culture aspects were positively related to organizational performance and had a positive and significant impact on organizational performance. This finding however posits careful consideration and a critical evaluation. This is because in today's current trend of competition most managers according to Daft (2012) are shifting toward cultures that are more flexible and in tune with changes in the environment.

### **5.1 Summary**

The core objective of the study is to determine the effect of corporate culture on business performance of Deposit Money Banks in Nigeria. The specific objectives are to: investigate the effect of clan culture on the profitability of deposit money banks in Nigeria; evaluate the effect of clan culture on net assets of deposit money banks in Nigeria; examine the effect of adhocracy culture on the profitability of deposit money banks in Nigeria; to examine the effect of adhocracy culture on net assets of deposit money banks in Nigeria; ascertain the effect of market culture on the profitability of deposit money banks in Nigeria; ascertain the effect of market culture on net assets of deposit money banks in Nigeria; explore the effect of hierarchy culture on the profitability of deposit money banks in Nigeria; explore the effect of hierarchy culture on net assets of deposit money banks in Nigeria.

## 5.2 Conclusion

In respect to these findings, it can be concluded that, Deposit Money Banks in Nigeria have not yet transformed a competitive corporate culture and structure to conform with dynamic market conditions and showed a controlled and organization focused approach in line with incoming past experience. The result indicates that Deposit Money Banks in Nigeria had faith in their net assets where they believe in enhancing the banks net assets all year round. From all indications, conclusion can be drawn that Clan culture (CC) and Market culture are the two dimensions of corporate culture with significant and positive effect on net assets of deposit money banks in Nigeria. Taking into account the findings for the two types of culture, the conclusion may be drawn that flexibility stability versus and control orientation should be more important than external orientation versus when it comes to performance.

## 5.3 Recommendations

Based on the findings of this study, the researcher made the following recommendations that:

- i. Deposit Money Banks in Nigeria should adopt a clan and market culture so as to achieve high performance through the understanding of corporate culture index in the organization. This is because, if deposit money banks in Nigeria address their performance deficiencies it will stimulate appropriate economic inducement in the country with specific market culture feedback that will help their performance index.
- ii. It will also provide a more dynamic system that will express the actual level of individual firm performance that will correspond with the nature of corporate culture adopted by every Deposit Money Banks in Nigeria.
- iii. Deposit Money Banks should also strengthen the organizational set of principles that define who its employees, customers and suppliers are and how to interact with each other independently to carrying out their duties. The Deposit Money Banks also need to encourage employees to have a sense of identity which increases their commitment to work since this will be one of the strategies to positively enhance and influence organizational performance through the

achievement of Clan culture and Market culture, Adhocracy

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# Effectiveness of System Approach to Instructional Programme on Students' Academic Achievement in Biology in Aniocha North LGA, Delta State

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## ABSTRACT

*This study examined the effect of the system approach to instructional design in the classroom and its effect on students' academic achievement in biology. Two research questions and three hypotheses were used to guide the study. Quasi-experimental study design was adopted using a population of 2,750 senior secondary biology students within Aniocha North L.G.A., Delta State. 100 students drawn from 4 schools by balloting were used. The experimental group were taught using system approach while control group were taught using lecture method. Students achievement was obtained using Biology Achievement Test (BAT). Data were collected and analyzed using mean, standard deviation and analysis of covariance (ANCOVA). Results revealed among others that, system approach method had greater impact on the students' academic achievement in biology than the lecture method. Furthermore, no significant difference was observed in the academic achievement of private and public-school students in biology when taught with system approach method of teaching and lecture method. The researcher recommended among others things that biology teachers should be encouraged to use the system approach in their classrooms in order to encourage students' active engagement in the lesson for enhanced academic achievement.*

**Keywords:** *Achievement, biology, instructional programme, system approach*

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## **Introduction**

Education is confronted with a lot of innovation universally which thus has help in changing the sector both in human and material resources. This invention has given rise to various approaches of teaching and learning in which system approach to instructional programme are part of the approaches which has been understood as a combination of face-to-face and technology mediated instructional forms and practices use in teaching and learning. With the emerging of this new technology, they are often embraced by the outdated system of teaching and learning (Paul and Richard, 2017). Recently information communication technology has energies to bridge the gap between the traditional system of learning and the new learning, thereby creating an avenue of enhancing the traditional instruction (Paul and Richard, 2017).

System approach adopts a systemic pattern in coordinating all forms of problem gearing towards specific objectives. It involves regular interaction and/or items of independent group which forms a unified whole (Aggarwal, 2010). In educational context, system entails a whole unit which incorporates other aspects including the pupils/students, teachers, curriculum, content and evaluation of instructional objectives (Darling-Hammond *et al.*, 2020). The process of teaching-learning in the context of education is perceived as a process of communication which occurs in the component of a system which comprises of teachers, student and the programme instruction encompassed in one pattern of interaction. System Approach is channeled towards learner as a first point of target followed by the course content. The learning experiences, effective media as well as instructional strategies are also incorporated into the system approach. The effectiveness of such system is that it enables continuous self-correction and improvement (Aggarwal, 2010).

Availability and effective utilization of this new system of learning in school is essential to the achievement of school goals. As a social system engaged in production, schools need adequate facilities, equipment, materials, education personnel, finance and students to function effectively (Usman, 2016). Consistently, the proper provision and effective utilization of

educational facilities play a vital role in enhancing the achievement of educational objectives. School facilities are the operational inputs of every instructional programme. The use of school facilities is very necessary for utmost learning achievement. Every Instructional programme has its specific demands of facilities. As a result, the educational process requires facilities that are at their utmost workable state in order to achieve quality output production (Ohakamike-Obeka, 2016).

Academic achievement on the other is a psychological test which measures learners' cognitive and intellectual traits (Ukwuji and Kpolovie, 2003). The result of these tests is very crucial in the academic decision making by the teacher concerning learners because it helps the teacher and guardian to ascertain the progress of their learners. Bonk and Graham (2006) described academic performance as college point average and the success of both teachers and students. It points to excellence in all academic discipline as well as the attainment of educational goals measured by standardized test scores. Academic achievement measures the extent to which students fails or succeed in a given cognitive academic task. Anyichie and Onyedike (2012) in a study stated that academic achievement is the ability of the learner to attain its set educational goal within the specific duration of the program. The study indicated a significant main effect of treatment on the student's world problem of performance.

## **Statement of the Problem**

The development of any nation cannot be possible without education, teachers being the implementers of any educational programme and they are equally responsible for the translation of educational theories into practice. For teaching to be effective, it has to be rooted in an understanding of how students learn. Several researchers have conducted research with a view to finding better ways of teaching and learning Biology. Results indicated that performance in public examination in Biology still remain poor. In other to overcome the problems of poor achievement, retention and acquisition of multiples intelligences by students in biology, some researchers have suggested the use of



diverse instructional strategies, which may help to enhance students' achievement in biology. This study seeks to use an instructional model, which could be able to address students learning styles and brain hemispheric preference and provide practice and feedback in ways of thinking and solving problems.

### **Significance of the Study**

The findings of this study in addition to contributing to the body of literature on education facilities availability and utilization, would benefit government, school management agencies, school heads and parents. Practically, the findings of the study will be significant to the following groups: students, teachers, curriculum planners, author and researchers. The findings of this study could enhance student's participation in science activities that will increase their acquisition of multiple intelligences, retention and achievement in biology. It could also help students to spend their leisure wisely by engaging in activities that pertains to science, thereby improving the functionality of science. This finding of this study could guide the students on a career path and help them make important decisions that will impact their future. For the teachers, the study will enable them to understand that even though the traditional science instructions save time in terms of content coverage, it has also contributed to the myriad of misconception. Furthermore, the study would help curriculum planners to appreciate the need to accommodate learning styles and activities in school curriculum design.

### **Purpose of the Study**

To examine system approach effectiveness to instructional programme on academic achievement of students'

### **Research Question / Hypotheses**

The following null hypothesis were formulated and were tested at alpha level of 0.05

Ho<sub>1</sub>: There is no significant difference in the academic achievement of students taught biology with system approach and those taught with conventional (lecture) method.

Ho<sub>2</sub>: Significant difference does not exist in the academic achievement of government and private students taught biology with system approach and Lecture method.

Ho<sub>3</sub>: The interaction effect of method and location on students' academic achievement in biology is not significant.

## **METHOD**

### **Research Design and Study Sample**

Quasi-experimental design was adopted using a sample of 100 SSII biology students 50 from private and 50 from government school was drawn from 4 co-educational (2 private and 2 government) secondary schools in Aniocha North Local Government Area, Delta State. Two intact classes in each of the schools were randomly assigned to experimental groups (50 students) and control groups (50 students). The sampled schools were selected on the bases that there were coeducational and biology had been taught in the schools for over ten years. Also, the number of students in each of the classes was not more than 40.

### **Validity and Reliability of Research Instrument**

The Biology Achievement Test (BAT) comprising of 18 multiple choice questions with four options (A-D) was developed by the researcher to measure students' academic achievement. The instrument was critically assessed by experts and validated after necessary modifications. The instrument was subjected to 20 students excluded in the study sample and the outcome analyzed using Cronbach alpha statistical which yielded a coefficient of 0.727 indicating that the instrument is highly reliable for the research.

### **Data Collection**

The BAT were administered to students included in the study. The researcher explained the nature of the research and approach to handling the BAT tool. The researcher personally administered the printed copies of the BAT to the respondents with the assistance of teachers in the schools. The printed copies of BAT were retrieved back immediately by the research after they have been duly responded to.

### **Data Analysis**

The research questions were answered by using the results to calculate the mean achievement scores and standard deviations of the groups, whereas the hypotheses were tested with Analysis

of Covariance (ANCOVA) using the pre-test scores as covariates.

Research question 1: Is there any difference in the academic achievement of students taught biology with system approach and those taught with conventional (lecture) method?

**Results**

Table 1: Mean Achievement Scores and Standard deviations of Students

Experimental Conditions	Teaching Method	Test Type	No. of Subjects (N)	Mean (X)	Standard Deviation (SD)	Gain Score
Experimental	System approach	Pre-Test		7.60	3.15	
		Post-Test	50	27.15	6.13	19.55
Control	Lecture	Pre-Test		7.45	3.40	
		Post-Test	50	18.15	5.80	10.70
<b>Total</b>			<b>100</b>			

As shown in Table 1, the mean scores of the students taught biology with system approach and lecture method are 7.60 and 7.45 respectively in the pre-tests. The difference in the pre-test mean scores of the two groups is .15. This shows that the two groups were similar at the beginning of the experiment. The Table 1 further shows that the mean achievement score of the students taught biology with system approach in the post-test is 27.15 with standard deviation of 6.13 and mean achievement gain score of 19.55. The mean achievement score of those taught with the lecture method in the posttest is 18.15 with standard deviation of 5.80 and mean achievement gain

score of 10.70. The difference in the mean achievement gain scores of the two groups is 8.85. Therefore, difference exists in the academic achievement of students taught with system approach and those taught with lecture method. Those students taught with system approach had higher academic achievement than their counterparts who were taught with lecture method.

Research question 2: Does significant difference exist in the academic achievement of Government and private school students taught biology with system approach and Lecture method?

Table 2. Mean achievement scores and standard deviations of private and government school students

Experimental Conditions	Teaching Method	School Location	Test Type	No. of Subjects (N)	Mean (X)	Standard Deviation (SD)	Gain Score
Experimental	System approach	Government	Pre-Test	25	7.34	3.07	
			Post-test		26.68	6.66	19.34
		Private	Post-Test	25	6.75	2.57	17.53
Control	Lecture	Government	Pre-Test	25	7.40	2.25	
			Post-Test		18.77	6.05	11.37
		Private	Post-Test	50	18.15	5.80	10.70
<b>Total</b>				<b>100</b>			

Table 2 shows the mean pre-test and post-test scores of government and private students taught

biology with system approach and lecture method. The result shows that students taught using system

approach had mean score of 19.34 while private schools had mean score of 17.53. From this result, the mean achievement gain score of the government students taught with lecture method (control) is 1.23 higher than that of their private

counterparts. These results show that differences exist in the mean achievement scores of urban and rural students taught with conventional and lecture method.

**Hypothesis**

Table 3: Analysis of Covariance (ANCOVA) of Students' Overall Achievement Scores by Teaching Method and School Type

Source of Variation	Type III Sum of Squares	Df	Mean Square	F-cal	P-value	Decision
Corrected Model	658.942	2	329.471	3.675	0.013	S
Intercept	126530.064	1	126530.064	2117.296	<b>0.000</b>	S
Method	658.942	2	329.471	3.675	0.013	S
School type	198.450	1	198.450	3.321	0.070	NS
Method X	48.606	2	24.303	0.814	0.636	NS
Error	13804.607	231	59.760			
Total	142066.000	100				

S = Significant (P < 0.05); NS = Not Significant (P > 0.05)

**Hypothesis 1:**

Table 3 shows that there is a significant difference in the academic achievement of students taught biology with system approach and those taught with conventional (lecture) method. This is because from the table, the probability value of 0.013 obtained is lower than the level of 0.05 at which it was tested. Therefore, the null hypothesis (Ho<sub>1</sub>) of no significant difference in the students' academic achievement is rejected at .05 level of confidence. This means that the earlier observed difference in the overall mean achievement scores of students taught biology with system approach and those taught with conventional (lecture) method.

**Hypothesis 2:**

From Table 3, non-significant difference was found in test scores of government and private students. This is because the probability value of 0.070 obtained is greater than the level of 0.05 at which it was tested. With this result, Ho<sub>2</sub> was retained because the observed difference in the academic achievement of government and private students in biology is not significant.

**Hypothesis 3:** In Table 3, the F-value for the interaction effect of method and location on

students' academic achievement in biology is 0.814 with P- value of 0.636 which is greater than 0.05 set for the study. With this result, Ho<sub>3</sub> was retained. Hence, the two-way interaction of method and location has no significant effect on students' academic achievement in biology. Meanwhile, since method is significant while the interaction with location is not, it therefore shows that method does not depend on school location to be effective.

**Discussion**

The findings of this study have shown that students taught with system approach had higher academic achievement than those taught with conventional (lecture) method. This conforms with the study of Ezeano, (2013) which stated that adopting system approach enhances students' achievement compared to lecture method. The effectiveness of system approach over lecture method could be attributed to its student-centered and activity-based approach which provides students with the opportunity of having direct contact with their study materials.

This study further found no statistically significant difference in the academic achievement of government and private students in biology.

Although the mean achievement scores of government students were higher than that of their private counterparts in the system approach and lecture method, the differences were not statistically significant. This agrees with the report of Jegede (2010) stating no significant difference in the academic achievement of government and private school students in physics. Contrary to this study is the report of Nwogu (2010) that students in government schools performed better than their private counterparts. The finding also disagrees with (Okorie and Ezeh, 2016) that there is significant difference in the academic retention of government and private students; the government students' academic achievement was higher than that of their private counterparts.

### Conclusion

The findings further revealed no significant influence of type of school on students' academic achievement in biology, thereby establishing the fact that when biology teachers expose the students to system approach, their academic achievement could be greatly improved irrespective of their type of school. The researcher therefore advocates for the biology teachers to imbibe the use of student-centered and activity-based teaching methods such as the system approach, and deemphasize the use of lecture method in biology teaching and learning.

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# Influence of Global Politics on Accounting Practice: A Comparative Study

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## ABSTRACT

*This research has been conducted to determine the influence of global politics in accounting practice. It is a qualitative research and made use of exploratory and comparative research methods. Our investigation revealed the significance of international politics on accounting practice. Since this is a new trend, an inductive approach was applied. The findings revealed lopsidedness on the part of the composition of international accounting standard boards showing unequal representation among the developed and developing countries. There were also differences in the understanding of the concept of consolidated accounts, differences in the published accounts and variation in the format used in the preparation of financial statements. It is recommended that the lopsidedness in the composition of international accounting standards should be addressed. Also, the international and local standards should be used side by side and there should be no variation in the format used in the preparation of financial statement.*

**Keywords:** *Global Politics, Accounting practice, Generally Accepted Accounting principles, International Accounting Standards Board, International Financial Reporting Standards*

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## **1. Introduction**

Before the harmonization of International Financial Reporting Standards, different countries developed their own national accounting standards or adopted that of other countries. Fosbre, Kraft & Fosbre (2009) affirmed this when they indicated that there was a movement of business toward a global economy and have accelerated the need to move toward global accounting standards. In this contest of globalization and harmonization of the economy there was the need to attract capital from investors, creditors and International financial institutions both locally and externally, for expansion of businesses and also set up new ones. This birthed the need of a global set of accounting standards.

Moreover, both private and public sector design their transparency and accountability of financial statement are to be kept, financial statements presented should follow the standards that are acceptable, credible, and easily understandable. Thus, for institutions and the government to account and attract finance from multilateral organizations, donor communities and other investors, financial statements presented should follow standards that are understood and acceptable by all users (Wiredu, 2007).

The above requirement supported the idea of adopting a common language for financial reporting and to enhance international comparability. The International Accounting Standards Board (IASB) therefore developed a single set of international accounting standards, called International Financial Reporting Standards (IFRS) (IASB, 2007).

Jacob & Madu (2009) identified IFRS as a single set of high quality and globally accepted accounting standards (GAAS) that can enhance comparability of financial reporting across the world. This increased comparability of financial information promotes investment decisions and ensures a more optimal allocation of resources across the world economy. Several researches have confirmed that adoptions of IFRS at country level has increased direct foreign investment ((Irvine & Lucas, 2006), high level of global market integration and improve quality accounting indicators (Chai, Tang, Jiang, & Lin, 2010). Additionally, adoption of IFRS at the firm level

has enhanced accounting quality (Meeks & Swann, 2009; Barth, 2008) and financial performance (Latridis, 2010).

## **2. LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

Below are some of the Global methods in accounting practices worldwide:

### **Presentation of financial Statement**

In accounting systems in which rules are set based on individual decisions of precedence (Koletnik, 2001, 6) (Anglo-Saxon countries), tax reports are independent of financial reports that are external – user oriented, and are drawn up autonomously and independently of tax regulations. It is different in countries whose accounting systems are based on Roman law (Austria, Germany), that is, where accounting rules are stipulated and fixed by a country's regulations, thus leaving them with little elasticity (Koletnik, 2001, 6). Companies in United State of America commonly present assets in order of liquidity, beginning with cash; companies in Europe commonly present assets in reverse order of liquidity, beginning with “fixed assets.” In reverse order in Nigeria Companies present Asset begins with Fixed Assets.

### **Legal System**

A major factor that influences the development of accounting is the legal system that operates in that country. (Saudagaran, 2004, 7; Mueller, Gernon, Meek, 1987, 13; Choi, Mueller, 1992, 40; Buchanan, 2003, 66 – 67), or as systems in which common law (Common law; non – legalistic) is predominant (Saudagaran, 2004, 7; Mueller, Gernon, Meek, 1987, 13; Choi, Mueller, 1992, 40; Buchanan, 2003, 66 – 67). Hence, in the relevant literature, this factor is very frequently mentioned in the context of classifying accounting systems either under the Anglo-Saxon cluster or the Continental Europe cluster. Many dissect the accounting world into those countries with a ‘legalistic’ orientation toward accounting and those with a ‘non legalistic’ orientation. They explained that the legalistic approach to accounting is predominantly represented by the so-called code law countries such as Germany, France, Japan, Russia, most of Europe, Latin America, China, Taiwan and South Korea while the non-legalistic approach is the so-called



common law countries (Nigeria, United States and the United Kingdom). Laws in code law countries stipulate the minimum standard of behaviour expected. Citizens are obligated to comply with the letter of the law. In most code law countries, accounting principles are codified much as the tax code is in the United States. Thus, financial accounting is administered by government bodies. Accounting practices and rules tend to be highly prescriptive, detailed and procedural. A primary role of financial accounting in these countries is to determine how much income tax a company owes the government. For example, such countries are Argentina, France and Germany.

The non-legalistic approach found in common law countries establishes the limits beyond which it is illegal to venture. However, within this limits, latitude and judgment are permitted and encouraged. Accounting practices in common law countries are largely determined by accountants in the private sector and they evolve by becoming commonly accepted in practice. Thus, accounting tends to be more adaptive and innovative. Examples of common law countries that adopt non-legalistic approach are the United States and the United Kingdom.

### **Political and Economic ties with other Countries**

The political system as an influential factor is often mentioned in the literature under the term of colonial inheritance (Nobes, 1998, 170) and as such, it is considered a major influential factor of accounting systems and reporting systems alike. The United States has influenced accounting in Canada due to geographic proximity and friendly economic ties and because a number of Canadian companies routinely sell shares of common stock or borrow money in the United States. The United States is Mexico's principal trading partner: and also because of proximity, accounting in Mexico is very much like that in the United States.

### **Level of Inflation**

For example, countries such as the U.S. or Great Britain (Saudagaran, 2004, 8) in which inflation levels are mostly under control apply the historical cost method for the needs of financial reporting. This method, however, cannot be fully applied in

countries such as Bolivia or Mexico (Saudagaran, 2004, 8), which have had or do have a high rate of inflation; instead, these countries use different models that seek to reduce the impact of inflation on financial reporting to obtain relevant information. In other words, accounting for inflation is required, and is therefore more developed and pronounced in economies with high inflation levels, consequently leading to differences in accounting systems as a result of different inflation levels. Regardless of this, there are opinions that the level of inflation is not a crucial influential factor in elucidating the differences between accounting systems, although it could possibly be the cause for differences in accounting practices of those accounting system belonging to the same category (Nobes, 1998, 175). According to this perspective, a certain level of inflation will trigger a reaction in every accounting system, and procedures for accounting inflation will be applied. In this, it is crucial to know who will react and how: will it be the professional accountants or the state within the framework of the tax system (Černe, 2007, 20).

Accounting in many countries is based on the historical cost principle. The principle is based on an assumption that the currency unit used to report financial results is reasonably stable. The historical cost principle holds that the recording of transactions at prices when they occur should be done and there should not be changes in the prices at later date. Generally, historical cost principle affects accounting most significantly in the area of assets values that the company keeps for a long time such as land and buildings. The reasonableness of the historical cost principle varies inversely with the level of inflation. Germany and Japan hold strictly to historical cost principle because they have historically experienced very little inflation. However, some South American countries, ravaged by inflation problem for years, long ago abandoned any attachment to strict historical cost. Companies in these countries routinely write up the values of their assets based on changes in general price levels.

### **Size and Complexity of Organizations**

According to one opinion, it is highly likely that the level of economic development a country has achieved will affect the number and size of business enterprises operating in that country (Saudagaran, 2004, 6). The size and complexity of businesses in a country determine the country's accounting sophistication. Larger and more complex business enterprises have more difficult accounting problems. Highly trained accountants are needed to handle these more difficult problems, accounting cannot be highly developed in a country where general education levels are low, unless that country imports accounting talent or sends bright citizens elsewhere for the necessary training. At the same time, the users of a company's financial reports must themselves be sophisticated- or else there will be no demand for sophisticated accounting reports. Most multinational corporations are headquartered in the wealthy, industrialized nations (e.g Japan, Germany, Great Britain and the United States). These countries have sophisticated accounting systems and highly qualified professional accountants.

In contrast, education levels in most developing countries are low and businesses are small. As a result, accounting is primitive. From earlier discussions however, it may occur that if accounting responds to information needs, then accounting in developing countries may very well be at an appropriate level of sophistication under the circumstances. While many accountants hold this view, some feel that the lack of sophisticated accounting ability in less developed countries actually impedes their potential for economic progress.

### **Strong/Weak uncertainty avoidance**

Strong uncertainty avoidance countries are hypothesized to favor conservative measures of

profit and assets following from a concern with security and a perceived need to adopt a cautious approach to cope with uncertainty of future events. They are also hypothesized to prefer secrecy (less disclosure) following from a need to restrict information so as to avoid conflict and competition and to preserve security. Countries Like China, Japan, German believe in weak uncertainty avoidance. Nigeria believe in Strong uncertainty avoidance.

### **Theoretical Framework**

#### **Positive Accounting Theory**

Mariya (2006:49) states that: "Positive accounting theory seeks to explain the observed accounting phenomena based on the reasons that led to the occurrence of an event". In other words, positive accounting theory is intended to explain and predict the consequences that occur if managers make certain choices. Explanations and predictions in positive accounting theory are based on contractual processes or agency relationships.

This study is hinged on the positive accounting theory by looking at global politics and how it has affected the application of accounting standards in various countries, thereby attempt to predict the consequences of the inequality in accounting practice occasioned by global politics.

### **3. METHODOLOGY**

In this study, qualitative, explorative and comparative research methods were applied. This is because the research study is a new trend that encompasses global politics as the independent variable while the accounting practices as dependent variable.

## **4. RESULTS AND DISCUSSION**

### **An inductive framework**

A key event in the conception of the International Accounting Standards Board (IASB) was the European Union (EU) desire to have one region-wide set of accounting standards; the IASB allowed the EU to project that vision worldwide. Since its establishment, the IASB has remained close to the EU, the latter's underwriting being an important element in the legitimacy and growth of IFRS across the globe. But the board's closeness to the EU has come with strings attached. This play of events led at least one British parliamentarian to refer to the board as "spineless" (Leone, 2008).

China's process of convergence with IASB highlights another dimension in the international politics of IFRS harmonization. IFRS, shaped to function in markets characterized by well-defined monitoring and information processing institutions (such as in Europe or Canada, e.g. Ball, 2006), is not particularly well suited to China's emerging market conditions. Accounting technologies such as fair value and impairment reversals are seen by China's Ministry of Finance (MOF) as perilous. Moreover, the extensive disclosure on related-party transactions required under IFRS posed a compliance complexity for China's large and interconnected state-owned enterprises, which typify that country's economy. To meet the economic demands that drew it towards IFRS, but still maintain standards that reflect China's domestic conditions, the MOF adopted a dual process of excepting certain IFRS standards from Chinese GAAP and working with the IASB to move IFRS itself closer to Chinese interests. China is likely one of the few non-European powers to currently enjoy the international standing to pursue the latter element of this strategy; but the notion of IFRS being shaped by a multilateral political dynamic is one

with important implications for the development and growth of the standards.

Just as elements in IFRS are ill suited to Chinese markets, Indian companies suffer from some discordance between IFRS as issued by the IASB and international standards that would be optimized to their domestic conditions.

### **The special case of the United States**

The United States is at once one of the IASB's most powerful constituents and most reluctant endorsers. Similarly, US adoption of IFRS is likely to both increase the legitimacy of the standards and decrease the incentives for other nations to adopt them (the latter because US adoption is likely to result in IFRS taking on the litigation-proof character currently seen in US GAAP). Adding to these contradictions, IFRS continues to be shaped by American interests (particularly given the convergence efforts between the FASB and IASB since 2002), all while US GAAP remains the only potential alternative to IFRS on the international stage. Below are some of the points.

Since its establishment in 2001, the IASB has intended for IFRS to become recognized in the United States. Organizationally, the IASB has been designed to be similar to the FASB. Such similarity, it was believed, would improve the chances of the United States eventually adopting IFRS (Benston et al., 2006, p. 230). The United States presents a unique case in the study of the international political dynamics of IFRS. The United States is at once a key influence at the IASB (very likely qualifying as a Quadrant II country if it adopted IFRS), but still an outsider in the sense of its ongoing reluctance to commit to the international standards. Thus, the United States is simultaneously regarded as shaping IFRS,

while offering, in US GAAP, an alternative to IFRS.

#### Implications for IFRS-Related Issues in Practice

As evident from the discussions above, the nature of countries' commitments to IFRS varies considerably with political-economy considerations. A few countries, including Australia and Canada, have adopted IFRS with almost no exceptions. Some other countries require IFRS only for certain segments of the economy (e.g. banks). Still other countries, such as China and India, have engaged in an often-ambiguous process known as IFRS "convergence." Because national standard-setters define the extent of "convergence," two countries that the IASB identifies as IFRS-convergent can have very different standards in practice.

The emergence and growth of convergence-based approaches to IFRS harmonization, especially among larger emerging-market nations such as China and India, raise interesting questions for the future of IFRS. On one hand, convergence-based IFRS harmonization can be viewed as posing a serious threat to the conceptual goal of one global accounting. Advocates of adoption over convergence, represented visibly by the IASB itself and the Big 4 audit firms, argue that fully replacing local GAAP with IFRS is the more effective way to ensure international comparability of financial statements (e.g. Sweeney, 2009). Thus, convergence, with its emphasis on real politics, can be seen as a pragmatic solution to the otherwise high political barriers to globalized accounting. Resisting convergence can have the perverse effect of increasing the role of power politics in IFRS standard setting. Without a convergence option, Quadrant III countries may be more likely to engage the IASB to align IFRS with their interests.

In addition to the procedural concern illustrated by the convergence versus adoption debate, the financial crisis of 2008–2009 uncovered substantive differences across countries around IFRS. The substantive differences deal largely with fair-value accounting, a practice with which the IASB has been closely identified since its inception. On one side are France, Germany and the European Central Bank who resist the introduction of more mark-to-market principles (e.g. Sanderson, 2009). "Stability is part of the quality of standards," notes Jérôme Haas, head of the French accounting standards body (Jones, 2009). This group considers the 2008–2009 financial crisis to be primarily caused by illiquidity in financial markets, and so views promoting post-crisis stability as paramount. On the other side, the United Kingdom, with its traditional faith in capital market institutions, is seen as promoting greater transparency in financial reporting through increased fair-value use (especially for impairment) as a more appropriate post-crisis accounting response (e.g. Chancellor, 2008). A fissure within the EU on an issue as substantive as fair values can open the door for more emerging-market economies to play a defining role at the IASB. As a practical matter, it may result in more Quadrant IV countries (such as India) being reclassified as Quadrant III countries.

A manifestation of this coming reclassification of countries across quadrants can be seen in the results of the IASB's 2010 constitutional review, which included guidelines to ensure a broader international basis for board membership. Supporters of reform have sometimes criticized the board's Anglo-centric orientation. David Tweedie, himself, has acknowledged this in an interview (Kranacher, 2010), "Currently on the board are people from South Africa, Australia, the United Kingdom and

America; at least half of the board is Anglo-American, and we [all] account basically the same way.” The constitutional review has prescribed broader geographic diversity for an enlarged board of 16 by 2012: four members from Europe, four members from North America, four members from the Asia/Oceania region, one member from Africa, one member from South America, and two members appointed from any area subject to maintaining overall geographical balance (IFRS Foundation, 2009). These reforms are likely to reduce the influence of British and European interests at the IASB, which in turn can encourage countries to reassess both their proximity to existing political powers at the IASB and their own potential political power at the IASB. (Note that IASB members are not formally required to represent their home countries’ interests while serving on the board. Moreover, not all national governments are directly involved in the board members’ appointments process.)

Finally, there is the issue of the United States’ position on IFRS, a topic briefly addressed in the previous section. As noted earlier, the United States, without formally committing to IFRS, remains influential on the IASB. How, if at all, is the framework developed in this paper affected given the recent SEC staff report rejecting full IFRS adoption in the foreseeable future? However, even in this case, US participation in the IASB is likely to remain a significant source of legitimacy for IFRS, so it is unlikely that major US interests will be altogether marginalized. (On this point, consider the following comment from IASB founding chairman David Tweedie in Kranacher, 2010, “We can have international standards, but we will never have global standards without the United States... It would be very difficult for the rest of the world to accept [IFRS] if the United States said, ‘We are not going to do this.’”) Research implications

Beyond issues in practice, the paper’s analysis of international political dynamics in IFRS harmonization raises interesting questions for future academic research. In particular, if international politics plays a significant role in shaping countries’ IFRS harmonization strategies, does that make the international standards more or less effective as an institution of global governance? On one hand, a technocratic view of accounting advocates resisting political interference in standard-setting decisions (e.g. Barth, 2006). Under this view, a politicized IFRS harmonization process can be indicative of a compromised legitimacy of IFRS. On the other hand, an evolving political science literature on global governance institutions suggests an active cross-country political dynamic can be important to creating legitimacy for international organizations (e.g. Buchanan & Keohane, 2006). Under this view, a vibrant role for international politics in IFRS harmonization is an affirmative sign for IFRS. The framework I present here cannot resolve these competing arguments, but it can provide some basis for further work evaluating the effectiveness of international accounting as a conceptual idea. Ultimately, we must learn whether the political process underlying IFRS facilitates the production of economically efficient standards. (This debate transcends international accounting and applies to accounting more generally. In fact, addressing this debate is one of the fundamental objectives of the Convivium: See Biondi, 2011, and Sunder, 2011. Baker et al., 2010, begin to develop a framework to address these questions).

### **Summary of Findings**

Our findings reveal lopsidedness on the part of the composition of International Accounting Standard Board. Out of the fourteen (14) members, ten (10) and four (4) are from developed and developing

countries respectively. There was also variation in the format used in the preparation of financial statement. The findings also showed that there were differences in company accounts; the concept of group or consolidated account, and variation in published account between developed and developing countries.

## **5. CONCLUSION AND RECOMMENDATION**

### **Conclusion**

The influence of global politics in accounting practice was studied using the exploratory, qualitative and comparative approach among countries. The spread of international financial reporting standard worldwide is a complex phenomenon likely involving numerous interweaver economy and political forces. The IFRS comprises of 14 member nations which is made up of 10 developed and 4 developing nations. This global politics brings about the variation in the preparation of financial statement among countries variation in published account and concept of group in consolidated accounts. It is therefore, concluded that global politics in accounting practice used among countries has a negative influence in developing countries.

### **Recommendation**

The study recommends that in accounting practice, there should be equal representation among the developed and developing countries, so that both will have a say. The international and local standards should be used side by side. There should be no variation in the format used in the preparation of financial statement so as to ensure uniformity.

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# Effect of Think-Pair-Share Instructional strategies on senior secondary school students' achievement in Ogun-State, Nigeria.

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## ABSTRACT

*The study investigated the effectiveness of Think-Pair-Share Instructional strategy on senior secondary school students' achievement in Ogun-State, Nigeria .The study adopted a pre-test, post-test, control group quasi-experimental design using 2x2 factorial matrix. The population of the study comprises of all SSII students in Ogun-State, Nigeria. Intact classes were subjected to different treatment conditions. The sample for this study was drawn from the public Senior Secondary Schools II students offering mathematics in Ogun-State, Nigeria. Purposive sampling technique was used to select four (4) public Senior Secondary School in Ijebu-Ode and Ijebu North East Local government Areas of the state. Simple random sampling was used to select twenty (20) students from each school. The sample was made up of 40 males and 40 females. The instrument for data collection is Mathematics Achievement Test (MAT). The reliability of MAT was estimated to be 0.78 using test and retest method. Three null hypotheses were tested. The data collected were analyzed using descriptive (mean and standard deviation) and inferential statistics of Analysis of Covariance (ANCOVA) at 0.05 level of significance. The finding revealed that there is main effect of treatment on students' achievement in mathematics. Also, there is no significant main effect of gender on students' achievement in Mathematics. Moreover, the researcher recommends among others that Think-Pair-Share strategy should be incorporated into the teaching and learning of Mathematics in senior secondary schools.*

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## IN TRODUCTION

Mathematics is one of the important subjects taught in all schools throughout the world due to its relevance to other subject most especially in the development of science and technology (Akinsolu (2014). It is an integral part of life because it is needed by everyone for successful living. Mathematics is an indispensable tool in the study of sciences, humanities and technology. Its usefulness to man activities cannot be overemphasized. Man uses it directly or indirectly in everyday life or activities (Ashikhia, 2010). In Nigeria, the Federal Government is quite aware of the indispensable role of mathematical skills in other school subject, therefore making Mathematics a compulsory cross-cutting subject at Post-Basic Education (Federal Republic of Nigeria [FRN], 2014). The importance attached to Mathematics according to Salau (2013) is motivated by the desire to achieve the broad objective of secondary education which is to equip students with competencies that will qualify them for entry into tertiary institutions. Without a basic knowledge of Mathematics, progress in Sciences and Technology may be impossible. Researches have established that most students considered mathematics as abstract in nature. Flores (2011) stated that for students to understand abstract concepts more easily, it is important for them to learn the subject in interactive manner in which teachers should use learners' oriented method of teaching. The most frequently used teaching and learning strategies in mathematics in Nigeria's Secondary Schools and other parts of the world are teacher centered and studies have shown that teacher centered learning strategies were not effective in classroom (Brown, 2003).

In this present study, learners centre learning strategy (Think-pair-Share) was used as a strategy in teaching mathematics in Senior Secondary Schools, and its effects on students' achievement in the subject.

Think-Pair-Share instructional strategy is a learner-centered technique which presents students with a task or question and gives them time to think individually, and then share their views in pairs and finally share with the larger

class. This teaching method enhances classroom participation by encouraging a high degree of student response, rather than using a basic recitation method in which a teacher poses a question and one student offers a response (Simon, 2013). Think-Pair-Share encourages student participation in discussing and promotes forming and critiquing arguments both in small and large groups. Think-Pair-Share Strategy is one of the active cooperative learning strategies where they are used to activate the students' previous knowledge of the position of education or to work the reaction about mathematical problem (Mahmoud, 2013).

Think-pair-share consists of three steps (Kitaoka, 2013) that include: **Thinking**-The teacher poses a question associated with the lesson and asks students to spend a few minutes thinking alone about the answer to the question. **Pairing** – Here, students are asked to pair with another student and discuss what they have been thinking about. Interaction during this period can be sharing of answers if a question has been posed or sharing of ideas. **Sharing**- this is the final step, the teacher asks the pair to share what they have been talking about with the whole class. He stated further that think-pair-share encourages;

- (i) Positive interdependence: the students are able to learn from each other.
- (ii) Individual accountability: students are accountable to each other for sharing ideas. The students may also be required to share their partners' idea to another pair or the whole group.
- (iii) Equal participation: each student within the group has an equal opportunity to share. It is possible that one student may try to dominate. The teacher can check this does not happen in any other groups.
- (iv) Simultaneous interaction: a high degree of interaction. At any moment all of the students will be actively engaged in purposeful speaking and listening. Compare this with the usual practice of teacher questioning whereby only one or two students would be actively engaged.

In the light of this, the current study employed the use of Think-Pair-Share strategy

basically to concretize the abstract nature of mathematics and to place learners in the centre of teaching and learning process. Majority of the findings reported that Think-Pair-Share learning strategy is capable of enhancing students' achievement in mathematics (Ifamuyiwa & Onakoya 2013; Esther & Abubakar, 2019; Mahmoud, 2013).

The issue of gender disparity has been a thing of great concern. Some researchers have traced it to the origin of man (Kurumeh, 2014, Ezeliora, 2014). A lot of researches have been carried out in and outside Nigeria, to find out the effect of gender on Mathematics achievement. Some of these researches showed that males performed better than females (Alio & Harbor-Peters 2000, Ezugo & Agwagah, 2000). Others recorded that females perform better in Mathematics (Ogbonna 2010), while some others recorded no difference between the two groups (Etukodo, 2010). None of these studies above indicated the effect of strategies under consideration on gender, so the calls for this study to establish the effects gender on students' outcome in Mathematics.

### **STATEMENT OF THE PROBLEM**

Students' continuous deteriorating achievement in mathematics are glaring and alarming. Observations and reports from the examination bodies like West African Examination Council (WAEC) and National Examination Council (NECO) revealed that the students' achievement in Mathematics in external examination in Nigeria has been persistently below average. Researchers have linked this poor performance to some teachers' factor which includes teachers' method of teaching. Teacher must put in place effective method of teaching for purpose of arousing and sustaining students' achievement. Hence, the need in shifting from convectional way the subject is been taught by exploring more innovative learner centered teaching learning approach. Such an approach is Think-Pair-Share, which the present study used as

a teaching strategy in enhancing students' achievement in mathematics.

### **HYPOTHESES**

The following hypotheses were generated for this study was tested at 0.05 level of significant.

- (i) There is no significant main effect of treatment (Think-Pair-Share) on students' achievement in mathematics.
- (ii) There is no significant main effect of gender on students' achievement in mathematics
- (iii) There is no significant interaction effect of treatment and gender on students' achievement in mathematics.

### **METHODOLOGY**

The study adopted a pre-test, post-test, control group quasi-experimental design. Intact classes were subjected to different treatment conditions. The sample for this study was drawn from the public Senior Secondary Schools II students offering mathematics in Ogun-State, Nigeria. Purposive sampling technique was used to select four (4) public Senior Secondary School in Ijebu-Ode and Ijebu North East Local government Areas of the state. Simple random sampling was used to select twenty (20) students from each school. The sample was made up of 40 males and 40 females. The pre-test was administered to both the control and experimental groups before the treatment. After the treatment, which lasted for four weeks, the post-test was administered to both the control and experimental groups.

### **INSTRUMENT**

**Mathematics Achievement Test (MAT)** was used for data collection. MAT is a multiple choice test consisting of 30-items with four options per item. The MAT is validated test designed by the researcher to measure students' achievement in Mathematics. The items in the instrument were adopted from WAEC past questions papers. The reliability of the instrument was established to be 0.78 using test-retest methods.

**RESULTS**

**Descriptive statistics**

**Table 1:** Mean and standard deviation of pre-test and post-test achievement score in experimental and control

Group	N	Pre-achievement scores		Post-achievement score	
		Mean	S.D	Mean	S.D
Experimental	40	12.32	6.34	16.55	4.65
Control	40	11.89	5.23	16.43	4.34

Table 1 shows that the experimental group has a mean pre-test achievement score of 12.32 and a mean post-test achievement score of 16.55. On the other hand the control group had a mean pre-achievement score of 11.89 and a mean

post-test achievement scores of 16.43. This means that the group that was taught using think-pair-share method of teaching recorded higher achievement score than the group that was taught using the conventional method of teaching.

**Table 2:** Mean and standard deviation of Male and Female students’ achievement treatment scores.

Group	Gender	N	Mean	S.D
Experimental	Male	20	16.30	2.371
	Female	20	13.81	2.720

Table 2 shows that the achievement means scores of the male students in the experimental group were 16.30 while their female counterparts had an achievement mean score of 13.81 in the

experimental group. The male mean was slightly higher than that of the female which means that the male students were achieved more than the female students.

**Testing of the hypotheses**

**Hypothesis 1:** There is no significant main effect of treatment (Think-Pair-Share) on students’ achievement in mathematics.

**Table 4.5:** Two way analysis of Covariate (ANCOVA) of students’ achievement scores on treatment, gender and interaction.

Source	Type III sum of squares	Df	Mean square	F	Sig.
Corrected Model	421.095	4	203.162	62.132	.000
Intercept	291.01	1	291.01	22.132	.000
Covariate	433.13	1	433.13	161.120	.000
Strategy	.321	1	.321	17.322	.004
Gender	.832	1	.832	.132	.673
Strategy * Gender	65.21	1	65.21	23.123	.002
Error	328.10	75	5.21		
Total	11255.000	80			
Corrected Total	564.87	79			

R-Squared = .556 (Adjusted R Squared =.532)

The ANCOVA of students’ achievement scores presented on Table 4.5 revealed that the effect of think-pair-share instruction in

mathematics at .05 level of significant. The F-value of 17.322 for treatment is significant at .004 which is less than .05 alpha levels and thus the

null hypothesis was rejected. We then conclude that there is significant main effect of treatment (Think-Pair-Share) on students' achievement in mathematics. This implies a significant difference in the mean achievement scores of students taught using Think-Pair-Share as instructional guide and those taught using the conventional teaching as an instructional guide.

**Hypothesis Two:** There is no significant main effect of gender on students' achievement in mathematics.

The F- value of 0.132 for gender difference is not significant at .672 which is greater than .05 alpha level and thus the null hypothesis was accepted and we then conclude that there is no significant main effect of gender on students' achievement in mathematics.

**Hypothesis Three:** There is no significant interaction effect of treatment and gender on students' achievement in mathematics.

From Table 4.5, the F- value of 23.123 values for treatment and gender difference interaction is significant at .002 which is less than .05 alpha levels and thus the null hypothesis was rejected and we then conclude that there is significant interaction effect of treatment and gender on students' achievement in mathematics.

### **DISCUSSION OF FINDING**

The result of finding shows that there is significant difference in performance of the students taught using Think-Pair-Share as strategy. The students exposed to the intervention performed better than those that were taught using conventional method of teaching. This result clearly indicated that the treatment was statistically significant on the students' achievement in mathematics and the use Think-Pair- Share strategy improved students' academic achievement in Mathematics. This result conformed with the study of Esther & Abubakar (2019) that revealed that Think-Pair-Share teaching method had an effect on students' academic performance in Principles of Accounts in colleges of education in northeast of Nigeria. Furthermore, the result that showed a better performance of the students that were exposed to

Think-Pair-Share strategy is in support of Mahmoud (2013) that Think-Pair-Share was a strategy that contributed to the improvement of CT, analysis, argument, prioritization, problem solving, and resolution skills.

The finding also showed that there is no significant main effect of gender on students' achievement in Mathematics. This finding is in agreement with (Keziah, 2011) who established no difference in the performance of the boys and girls in the use of CAI in the learning of Science – Biology. This finding is also in support of Abonyi & Umeh (2014) that achievement in learning is not affected by gender but by the degree of original learning, time at which achievement and retention is measured and the individual's working memory capacity among other factors. The implication of this finding may be that what matters in teaching and learning of mathematics is the effectiveness and the efficacy of the instructional strategy and not gender of the learners. Hence, Think-Pair-Share Instruction is not gender-sensitive as it increased the achievement of both male and female significantly.

### **RECOMMENDATIONS**

Based on the findings of this study, the study recommends that:

- (i) Teachers should be discouraged from using teacher- centered instructional strategies but student- centered instructional strategy Think-Pair- Share and other innovative strategies that will promote high level learning achievement in Mathematics.
- (ii) Think-Pair- Share strategy should be incorporated into the teaching and learning of Mathematics in senior secondary schools.
- (iii) Governments and stakeholders should organize workshops to train teachers on the use of Think-Pair- Share in teaching mathematics.

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# Effect of Environmental Reporting on Financial Performance of Selected Listed Firms in Nigeria

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## ABSTRACT

*The paper provides empirical evidence on the effect of five environmental disclosure measures namely; loss of biodiversity, waste management, community commitment, occupational health and safety and pollution on financial performance (Dependent variable) of selected listed companies in Nigeria from 2013 to 2019 (7 years). Data was collected from 37 selected listed companies in Nigeria for 7 years. The paper employed the causal research design. Panel data regression technique was used to analyse the data and the result shows that loss of biodiversity, does not significantly affect the financial performance of listed firms in Nigeria while pollution reporting, waste management, occupational health and safety and community commitments significantly affect financial performance of quoted Nigerian firms. The paper recommends that quoted firms in Nigeria should continue to disclose on their efforts to sustain the environment as this does not only improve patronage of their products and services but also lead to high productivity that is characterized with less waste of resources.*

**.Keywords:** Environmental Reporting, Biodiversity, Waste Management, Pollution, Community Commitment, Occupational Health and Safety

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## **1. Introduction**

The global environmental impact of human as well as firms' activities on the ecosystem have tremendously increased public concern on the performances of organisations hence some developed nations have put in place mandatory disclosure requirements whereas most developing nations like Nigeria still rely heavily on voluntary initiatives of the reporting firms. Environmental issues globally have become a topic of discuss due to its effect on the profitability of firms (Ezeagba, John-Akamelu & Umeoduagu (2017). The increased global focus on the environment has indeed enhanced environmental awareness and stimulates campaign for sustainable economic development which focuses on firms been environmentally sensible. Environmental disclosure is built towards the context of providing the needed information that will enhance the examination of the efforts of firms towards sustaining their environment. Fundamentally, a firm's approach to its environment is considered as one of the major factors that influence profitability. It then implies that, success or failure of firms is not only anchored on the way their products or services are marketed but also on how well it treats the environment.

When companies are not environmental friendly, they tend to face the challenge of a hostile business environment. That is, an environment that is characterized by agitations between critical stakeholders (host environment, government, interest groups and customers) and the firm leading to loss of properties, patronage and even series of court cases which are expenses that may lead to a reduction in profit. Firms therefore need to pay attention to issues of the environment and report to stakeholders accordingly. It is believed that by so doing, stakeholders' confidence will be won. Environmental reporting benefits firms that reveal their social and ecological values, thereby minimizing the pressure from critical stakeholders, builds corporate image and as well enhances firms' social responsibility. When a firm wins stakeholder's confidence, it is given legitimacy status which comes with security of its properties and acceptance of its products and services leading to increased turnover that transcends to profitability.

In view of this, this paper seeks to assess the effect of environmental disclosure on profitability of selected quoted Nigerian firms.

### **1.1 Research Objectives**

The core objective of this paper is to assess effect of environmental reporting on profitability of selected quoted firms in Nigeria. Specifically, the study seeks to;

- i. Examine effect of loss of biodiversity disclosure on ROE of selected quoted firms in Nigeria.
- ii. Determine the effect of pollution reporting on ROE of selected quoted firms in Nigeria.
- iii. Ascertain the effect of waste management disclosure on ROE of selected quoted firms in Nigeria.
- iv. Investigate effect of community commitment reporting on ROE of selected quoted firms in Nigeria.
- v. Ascertain the effect of occupational health and safety disclosure on ROE of selected quoted firms in Nigeria.

### **1.2 Research Hypotheses**

Five null hypotheses are formulated for the study thus:

- HO<sub>1</sub>** Disclosure on loss of biodiversity does not significantly affect the ROE of selected quoted firms in Nigeria.
- HO<sub>2</sub>** Pollution reporting does not significantly affect the ROE of selected quoted firms in Nigeria.
- HO<sub>3</sub>** Waste Management reporting does not significantly affect the ROE of selected quoted firms in Nigeria.
- HO<sub>4</sub>** Community commitment reporting does not significantly affect the ROE of selected quoted firms in Nigeria.
- HO<sub>5</sub>** Occupational health and safety disclosure does not significantly affect the ROE of selected quoted firms in Nigeria.

## **LITERATURE REVIEW**

### **Conceptual Issues**

The concepts of environmental reporting and profitability are discussed below:

#### **2.1 Environmental Reporting**

Shonshadji (2018) sees environmental disclosure as a form of reporting that captures information about a firm's past, current and future environmental activities. Environmental Reporting communicates information regarding a range of environmental activities to a variety of stakeholders. According to Lindblom (1993), Environmental Reporting is the examination of the impact of environmental activities of firms in their reports annually. Welford (2005), viewed environmental reporting as a company's way of providing information about its efforts to manage the dangers their activities pose to the environment with a view to gain and maintain a positive environmental image. Ogunode and Adegbe (2020) posits that, environmental disclosure is a voluntary or compulsory disclosure about environmental issues. Environmental reporting is a sub-category of financial accounting that focuses on the disclosure of non-financial information about a firm's performance to external parties. The report contains an account of various activities that affect the environment and profitability in general. Firms are expected to provide more disclosures on environmental practices to enable them gain society's acceptance of their goods and service.

#### **Financial Performance**

Ivungu, Agbo and Bula (2020) viewed financial performance as a subset of a firm's effectiveness that includes financial and operational outcomes. Financial performance can also be seen as the general measure of a firm's overall financial health at a given period and can be used to compare similar firms across industries. It relates to the various subjective measures of how well a firm utilizes its assets to generate profit over a specified time.

According to Ross, Westerfield and Jaffe (2002), financial performance is viewed as how well a firm enhances its shareholders' wealth and the

capability of a firm to generate earnings from the capital invested by shareholders. The interests in firms' financial performance over time have been via its ability to make profits but this has change over the years due to stakeholders varying interests in the firm. A company can be seen as performing well if it is able to satisfy its stakeholders: managers are interested in their welfare and bonuses as appreciation; current and potential shareholders perceive performance as the company's ability to distribute dividends for capital investment, given the risks they take; commercial partners look for the solvency and stability of the company; credit institutions want to be sure that the company has the necessary capacity to repay loans on time; employees want a stable job and to obtain high material benefits; the state seeks that a company be efficient to pay its taxes and as well help in job creation.

Most times, researchers tend to use financial indicators like ROI, ROA and ROCE to measure financial performance. For the purpose of this study, financial performance is measured using return on equity.

#### **Theoretical Framework**

This study reviews the stakeholder theory and legitimacy theory. It is however important to note that the study is anchored on the stakeholder theory because it has the ability to provide insights on the relationship that exists between environmental reporting and financial performance of firms.

#### **Stakeholder theory**

As propounded by Freeman (1984), stakeholder theory looks at a stakeholder as any individual or group that has the capacity to affect or is affected by the achievement of an organisation's goal. The theory is based on the premise that, the more friendly a firm's relationship with other parties (stakeholders), the less difficult it will be for the firm to achieve her objectives. Stakeholders include the host community, interest groups, individuals and other organizations that are likely to influence or are influenced by the activities and decisions of a firm., The stakeholder theory upholds that firms are accountable to many stakeholders such as creditors, customers, suppliers, employees, government, community,

environment, and future generations (Freeman 1984). In view of the broad range of stakeholders and their interests, Deegan, Rankin and Tobin (2002) maintained that, communications to stakeholders through environmental reporting will help reduce the risk of regulatory actions, agitations and boycotts by stakeholders and as well strengthen the firm's license to operate. King (2002) also recognized the relevance of environmental reporting in strengthening the relationship that exist between the firm and the host community. Ignoring the interests of stakeholder may affect a firm's public image adversely. This adverse effect may culminate into poor financial performance.

### **Legitimacy Theory**

Dowling and Pfeffer (1975) see legitimacy as a status that exists when an entity's system is in line with the value system of her host environment. According to Lindblom (1993), legitimacy is achieved when an entity's value system is in harmony with the value system of her host community. Legitimacy theory is gotten from political economic theory and relies on the idea that the legitimacy of a company to operate in a society depends on an implied social contract between two parties: the society and the firm. This to a large extent implies that, managers should ensure compliance with social contract by operating within societal expectations which include operating in a way that will sustain the environment. According to this theory, it is essential to meet the societal norms and expectations to ensure the long-term survival of a firm.

### **Empirical Review**

Several studies have been done on environmental reporting and financial performance of firms. Some of these studies are captured below:

Menike (2020) examined the impact of environmental disclosure on performance of 26 listed food, beverage and tobacco companies on Columbo exchange from 2012 to 2019. The study measured environmental reporting using 19 items as a checklist while return on assets was used as a proxy for financial performance, size and liquidity served as control. Panel data was used to analyse data and the result showed that, environmental

reporting significantly affects ROA while liquidity does not significantly affect ROA of the listed food, beverage and tobacco companies in Columbia.

Ogunode and Adegbe (2020) examined effect of environmental justice on ROA of oil and gas firms listed on the Nigerian exchange group from 2003 to 2018. Out of the population of 12 companies, the paper used 3 companies as sample. Panel data was analysed using multiple regression and the result show a significant and positive relationship between justice to the environment and ROA.

Zamil and Hassan (2019) assessed whether environmental reporting affect financial performance of Fortune 500 companies for 5 years (2013-2017) using causal research design. Data were collected from 50 out of the 500 annual reports of the companies. Descriptive statistics, correlation and regression analysis were carried out and the result showed that gas emission and water significantly affect financial performance of the studied companies while waste has an insignificant and negative effect on financial performance of the firms.

Ogoun and Ekpulu (2020) examined whether environmental reporting affect the operational performance of listed manufacturing firms in Nigeria from 2009-2018. Using a population of 58 companies, a sample of 35 companies was selected for the study. Panel research design was adopted. Secondary data was gotten from annual reports and analysed. Findings showed environmental disclosure having effect on operational performance of the studied firms.

### **Methodology**

This paper seeks to examine the effect of environmental reporting on financial performance of selected quoted firms in Nigeria. The study's population is all the listed companies on Nigeria exchange group as at 31<sup>st</sup> December, 2013 where a purposive sample of 37 companies was used. The paper used the causal research design due to its ability to analyse the causes and effect between dependent and independent variables. Data were collected from 37 firms listed on the Nigeria exchange group for a 7 year period (2013-2019) given 259 firm year observations. The paper used

the 259 observations so as to fit the distribution of the data under normal distribution in terms of kurtosis and skewness. The study’s scope (number of years and observations) is theoretically accepted because prior works like Zamil and Hassan (2019) used a lesser years (5) and observations (250). Data were analyzed using

panel data regression. The dependent variable for the study is financial performance proxied by ROE while the independent variable is environmental reporting proxied by loss of biodiversity, waste management, pollution, community commitments and occupational health and safety.

The following regression model was adapted from Ivungu, Iorpev and Ogirah (2020) to assess the relationship between environmental reporting and financial performance of selected quoted firms in Nigeria.

$$FP_{it} = \beta_0 + \beta_1 LBD_{it} + \beta_2 PT_{it} + \beta_3 WM_{it} + \beta_4 CC_{it} + \beta_5 OHS_{it} + \beta_6 SIZE_{it} + e_{it}$$

Where: FP = Return on Equity

LBD = Loss of biodiversity

PT = Pollution

WM = Waste management

CC = Community commitment

OHS = Occupational Health and Safety

SIZE = Log of Total Assets

$it$  = firm  $i$  at time  $t$

$e$  = error term

#### 4. Results and Discussions

The results of analysis are presented in this section. Hypotheses are also tested followed by discussion of results, summary and conclusion.

**Table 4.1 Descriptive Statistics**

Variable	Obs	Mean	Std. Dev.	Min.	Max.
Roe	259	0.98	7.54	-8.40	84.96
Lbd	259	2.42	0.49	2	3
Pt	259	1.83	1.05	0	3
Wm	259	2.63	0.48	2	3
Cc	259	2.63	0.98	0	3
Ohs	259	2.40	0.50	2	3
Firmsize	259	16.63	2.44	12.38	23.72

Source: STATA Output, Version 16

Table 4.1 reveals a total of 259 observations resulting from panel set of data of thirty seven (37) companies for seven (7) years. ROE revealed 0.98, 7.54, -8.40 and 84.96 as values for mean, standard deviation, minimum and maximum respectively. This means, during the study period, the studied companies got on average 0.98 returns on equity with a variation of 7.54. In worst case scenario, the firm incurred a loss on equity of -8.40 while the highest return a firm got during the period was 84.96.

The results also show a mean disclosure of 2.42 and variation of 0.49 for loss of biodiversity.

Minimum and maximum disclosures for loss of biodiversity stood at 2 and 3 respectively. Pollution shows a mean, standard deviation, minimum and maximum values of 1.83, 1.05, 0 and 3 respectively. Waste management on the other hand, shows a mean of 2.63, standard deviation of 0.48, least disclosure of 2 and a maximum of 3. Community commitment has a mean disclosure of 2.63 with a variation of 0.98 and the lowest and highest disclosure of 0 and 3 respectively. The table also shows 2.40, 0.50, 2 and 3 as the mean, standard deviation, minimum and maximum values for occupational health and



safety respectively. Also, on average, the studied firms have average size of 16.63 with a deviation of 2.44 and the smallest firm having 12.38 while

the biggest has 23.72. This means that, the firms under investigation were large enough to disclose about environmental issues.

**Table 4.2 Summary of Fixed Effect Regression Results**

			Number of obs	=	259
			F(6, 252)	=	7.05
			Prob > F	=	0.0000
			R-squared	=	0.1437
			Adj R-squared	=	0.1233
			Root MSE	=	7.0563
Roe	Beta Coeff	t-values	Prob.>t		
Lbt	-1.300884	-1.41	0.16		
Pt	-1.827321	-4.00	0.00		
Wm	1.83211	1.74	0.04		
Cc	1.087587	2.18	0.03		
Ohs	0.3343404	0.36	0.02		
Firmsize	0.817214	4.43	0.00		
Cons	-14.59652	-2.87	0.01		

**Source: STATA Output, Version 14.2**

The F statistic has a value of 0.00 which is less than 0.05 signifying the fitness of the model Table 4.2 also reveal R<sup>2</sup> of 0.14 which is the coefficient of multiple determinations. This signifies that about 14% of the total variation in the financial performance (dependent variable) of selected listed firms in Nigeria is jointly explained by environmental reporting (independent variable) while 76% is accounted for by factors outside the model. This means that, apart from environmental reporting, there are other factors that affect financial performance (ROE) of listed firms in Nigeria.

Table 4.2 also shows the nature and extent of the relationship between financial performance and each of the measures of environmental reporting captured in the study in terms of coefficients, t-values and p-values thus:

The result shows a negative coefficient of -1.3009 and -1.8273 for loss of biodiversity and pollution respectively on ROE sampled firms. This means an increase in reporting on either biodiversity or pollution reduces the ROE of the studied firms.

The result shows a positive coefficient for waste management, community commitment and occupational health and safety of 1.83, 1.09 and 0.33 respectively on financial performance. This implies that, an increase in reporting on waste management, community commitment and occupational health and safety will lead to an increase in return on equity of listed firms in Nigeria.

**4.1 Test of Hypotheses**

***H<sub>01</sub>: Disclosure on loss of biodiversity does not significantly affect the financial performance of selected listed firms in Nigeria.***

Results presented in Table 4.2 shows the p- value for biodiversity as 0.16 which is more than 0.05. We therefore, accept the null hypothesis that loss of biodiversity reporting does not significantly affect financial performance of the selected listed firms in Nigeria.

***H<sub>02</sub>: Pollution reporting does not significantly affect financial performance of selected listed firms in Nigeria.***

P-value for pollution as captured in table 4.2 is 0.00 which is smaller than 0.05. We therefore, accept the alternative hypothesis that pollution reporting significantly affect financial performance of the selected listed firms in Nigeria.

***HO<sub>3</sub>: Waste Management reporting does not significantly affect the financial performance of selected listed firms in Nigeria.***

In the same vein, p-value for waste management reporting in table 4.2 is 0.04 which is smaller than 0.05. We hereby, accept the alternative hypothesis and reject the null that waste management reporting significantly affect the financial performance of selected listed firms in Nigeria.

***HO<sub>4</sub> Community commitment reporting does not significantly affect the financial performance of selected listed firms in Nigeria.***

The p-value for community commitment reporting is 0.03 as captured in table 4.2. Since this value is smaller than 0.05. We accept the alternative hypothesis that, community commitment reporting significantly affects the financial performance of selected listed firms in Nigeria.

***HO<sub>5</sub>: Occupational health and safety reporting does not significantly affect the financial performance of selected listed firms in Nigeria.***

The p-value for occupational health and safety disclosure is 0.02 as reported in table 4.2. Since this value is smaller than 0.05, we accept the alternate that, occupational health and safety disclosure significantly affect the financial performance of selected listed firms in Nigeria.

## **4.2 Discussion of Findings**

Based on the result, the first hypothesis of the study is accepted. This may be that, since carrying out activities that will sustain the environment and reporting them is an expense to firms, there is the possibility that in the short-run, firms that are involved in disclosing on biodiversity may experience a decline in profitability. This decline in profitability may continue for a while but once the society accepts the firm as a legitimate one, the patronage for the firms' products may improve resulting to profitability. This finding is in line with Asuquo, Dada and Oneozari (2018) who found that economic performance disclosure (an aspect of voluntary disclosure) has no significant

effect on the profitability of quoted brewery firms in Nigeria.

Result of hypothesis two imply that pollution reporting significantly affect the financial performance of selected listed firms in Nigeria and is in agreement with Ogoun and Ekpulu (2020), Zamil and Hassan (2019), Asuquo, Dada and Oneozari (2018), Ihendinihu and Omodero (2016) but rather contradicts the findings of Makori and Jagongo (2013). This may be true because, as a firm carry out these philanthropic activities and report same, she builds a reputation for herself. This reputation makes the society to accept the firm as legitimate (legitimacy theory). This relationship in turn widens the market for the firm's products making the firm more profitable.

From the results presented, hypothesis three is rejected and alternative accepted. This finding contradicts Zamil and Hassan (2019) but is in line with stakeholder's theory as propounded by Freeman in 1984 that, a firm's success is dependent upon the successful management of all the relationships it has with stakeholders. That is to say, for a firm to be profitable, it is expected to satisfy its varying stakeholders. This will surely lure the stakeholders to accept her and by extension her products or services.

In the same vein, hypothesis four is rejected meaning that, community commitment reporting significantly affect financial performance of selected listed firms in Nigeria. This finding too agrees with that of Ogunode and Adegbe (2020) and the legitimacy theory. As a firm is just to the environment in which it operates, the firm gain acceptance in such an environment. This acceptance is likely to protect the firm from losses such as theft, vandalization and at the same time enlarge the market for its products and services.

Hypothesis five is accepted based on the results presented in Table 4.2. This may be that, since caring for the health and safety of employees at the work place and disclosing same is an expense to the firm, it will definitely reduce profit. This implies that, when employees' welfare is taken care of to an extent, their morale is boosted. This leads to high productivity and less wastage. Firms

that cater for the welfare of their employees are bound to enjoy more input from them.

### 5. Conclusion and Recommendations

The paper provided empirical evidence on the effect of five environmental disclosure measures namely; loss of biodiversity, pollution, waste management, community commitment and occupational health and safety on financial performance of selected listed firms in Nigeria. Arising from the findings, the paper concludes that, environmental reporting is a way of communicating the philanthropic activities of a firm to her stakeholders hence a charge against profit. However, reporting on these issues makes the stakeholders to have a feeling of been carried along (stakeholders theory) and as such propels the society to accept the firm (legitimacy theory). By accepting the firm, the firm's products and services are accepted thereby increasing profitability.

Based on the conclusion above, we recommend that:

1. Listed firms in Nigeria should continue to disclose on their efforts to sustain the environment as this does not only improve patronage of their products and services but also lead to high productivity that is characterized with less waste of resources.
2. Financial Reporting Council of Nigeria (FRCN) should make environmental reporting mandatory and monitor compliance. This will leave firms with no option than to operate in a way that will preserve the environment.

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# Board Characteristics, Asset Quality And Nigerian Deposit Money Banks' Financial Performance

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## ABSTRACT

*The banking industry in Nigeria despite various policies have continued to record hitches which ultimately erode the wealth of the investors and depositors. This is not unconnected with the monetary exhibition of the deposit money banks which is an output of many factors among which are the attributes of the boards and the quality of the banks' stock-in-trade (loans). Consequently, this study analyzed the board attributes, asset quality and financial performance of the deposit money banks in Nigeria. This study employed ex-post facto research configuration was used and a sample of twenty (20) deposit money banks out of 33 was utilized as a sample size. The secondary data extracted from the audited financial statements of the appraised deposit financial institutions for the period 2014 to 2019 was analysed using descriptive statistics, pairwise correlation, and panel least square regression techniques. The study uncovered that board size impact positively on the Nigerian deposit money banks' financial performance; board credit committee also impact positively on the Nigerian deposit money banks' performance; and asset quality negatively impact on the Nigerian deposit money banks' financial performance. Consequently, the study concluded that board characteristics and asset quality play a significant role in the Nigerian deposit money banks' financial performance. The study therefore proposed that that the board size of deposit money banks should be rationalized in consonance with the code of Corporate Governance and its composition should be diverse enough. Also, the study advocated that the Central Bank of Nigeria mandate the existence of board credit committee to supervise the roles of loan officers in order to minimize the risk exposure of the deposit money banks.*

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## **1. Introduction**

The banking industry is central and serves as backbone to any country's economic growth, as it impacts on the money stocks' level through the capacity to build up deposits and liabilities. The industry provides access to payment system, enable financial services for commercial enterprises and general public and act as a go-between (intermediary) for individuals with extra (surplus units) money and those who need it (deficit units). Noting all these prime functions, the financial wellbeing and performance of banks are imperative for the economic growth of any country as the proficient and compelling banking industry's performance over time is a manifestation of financial and fiscal stability. The degree to which banks extends their credit to the general public for useful and industrious undertakings speeds up the stride of a country's economic expansion and its long term viability and sustainability (Kolapo, Ayeni & Oke, 2012).

Notably, board characteristics are predominantly imperative in the Nigerian banking industry on the ground that various financial catastrophes, frauds, and sketchy corporate practices had unfavourably influenced the confidence of the investors. Practices of corporate governance and operative boards are fundamental ingredients towards accomplishing and keeping up with the confidence level and public trust in the financial system. They are basic to suitable operations by way of defining the banking sector's performance in the economy of any nation. Poor corporate governance often result to ineffectual boards, in which at the end, may add up to failures of banks (Odudu, James & James, 2016). Additionally, poor boards could thusly prompt a sudden spike in the problematic dealings, bank unemployment, fraudulent exercise, which may upshot adverse economic consequence (Ogbechie & Koufopoulos, 2010). Being the zenith of internal control framework, major responsibility is borne by the board for the smooth working of the bank, thereby checking and directing banks' top management with fiduciary commitment to depositors as well as shareholders in the complex banking environment.

Furthermore, the banks' asset quality persistently remains a critical worry for the policymakers, regulatory bodies, financial backers and the general stakeholders. Deposit money banks are over-burden with a gigantic heap of non-performing assets being reported in ages. A corrosion in banks' asset quality fills in as a marker of the level of risk being borne by banks, consequently stiffen credit criterions prompting a drop in subsequent banks' lending in order to lessen its level of risk. Cheruiyot (2016) reiterate that bank asset quality has both direct and indirect effects on lending behavior. Through the direct effect, a crumbling in bank loan assets indicates that banks are exposed to significant risks and henceforth, banks cannot further build up its level of risk thereby tense up loan and advances criterions thereby moderating the magnitude of loan applicants. With the indirect effect, suffering losses from non-performing loans leads to cancellation of loans which drains the banks' equity capital. This would thusly influence the capacity of banks to cancel more loans.

Over time, the academics, market participants, professionals, and regulators have continued to pay close attention to the scenario surrounding board characteristics as a corporate governance tool, which has caused contentious concerns. This is due to the fact that theories about financial performance provide conflicting opinions on what constitutes performance measurement, while empirical evidence is inconclusive. Although, the introduction of code of corporate governance in 2003 in Nigeria was expected to mitigate corporate scandals and other associated problems. However, corporate failures and scandals are still being experienced in the banking sector e.g. the cases of Skye Bank Plc. and Spring Bank Plc. in Nigeria (the case of mismanagement of capital) suffered from the poor corporate governance practice. It has been argued that problems with internal control systems start with the board i.e. in terms of their characteristics such as size, composition, financial knowledge or expertise, credit committee among others. The board is in charge of managerial control and, in the case of deposit money banks, lending policy supervision. If that supervisory unit is defective in some way, lending policies and guidelines may be absent or



ignored, resulting in a bank's asset quality being harmed.

Moreover, the deterioration of bank asset quality as observed by Abata (2014) may arise from a lack of understanding of loan quality, which is one of the primary causes of the financial system's fragility. Asset quality management must be prioritized by banking institutions in nations with weak banking systems in order to ensure the banking industry's long-term viability. The Central Bank of Nigeria (CBN) has established a number of policies and strategies aimed at ensuring a robust as well as sound banking atmosphere towards safeguarding the interest of numerous stakeholders and combating this global trend of asset quality deterioration because the Nigerian corporate climate is not immune to it. However, despite their exertions, the banking industry seamlessly have problems that harm the customers and other investors, thereby prompting a cushion and bailout of few failing banks. The importance of banking operations in the financial intermediation process and development prompted a research inquiry into the nature of the relationship between bank asset quality and performance in Nigeria.

Apart from the above conflict in findings, to the best knowledge of the researcher, board characteristics and asset quality are examined independently on bank's financial performance. Also, most of the studies failed to include variables that could reasonably address the interest as well as the influence of the depositors and the owners of the banks respectively. Again, a good number of previous works reviewed used board audit committee index instead of credit committee as one of the independent variables. Credit committee members of the board are by the provisions of code for corporate governance assigned the responsibility to advise the board on credit related matters. The quality of loans granted measured as the proportion of performing loans over total loans is thus one of the functions they are expected to perform as members of the committee. Sequel to the preceding, this research aims to fill the gap identified by concurrently examining both asset quality and board characteristics impact on the Nigerian deposit money banks' financial performance while

incorporating bank credit committee which previous studies failed to use. To achieve this, the following null hypotheses are formulated:

- H<sub>01</sub>:** Board size has no significant impact on the Nigerian deposit money banks' financial performance;
- H<sub>02</sub>:** Board credit committee does not significantly impact on the Nigerian deposit money banks' financial performance;
- H<sub>03</sub>:** Asset quality has no significant effect on the Nigerian deposit money banks' financial performance;

## **2. Literature Review**

### ***Conceptual Review***

#### ***Board Characteristics***

Board characteristics, according to Htay (2012), pertain to the dimensions of the board's organization, such as the type and size of committees, committee membership, and how information flows from one board member to another, as well as board leadership. Controlling and monitoring the organization's management, offering counsel and information to the managers, ensuring the organization complies with all laws and regulations, and ensuring the organization is effectively linked to the external environment are some of the main goals of the board of directors in an organization. According to Felix and Emmanuel (2019), the board of directors is one of the mechanisms by which shareholders can exert influence over management behavior to guarantee that the firm is operated in their best interests. When a CEO has full or partial authority over the board of directors, the board's monitoring position is jeopardized. This is likely to have a detrimental impact on a company's overall corporate governance level. When members of the management team dominate the board, effective monitoring and control are hampered.

Odudu, et al., (2016) define board characteristics as the size of the board, the division of labour between the board chair and the CEO, as well as the composition and diversity of the board. The distinction between inside and outside directors is referred to as board composition, and this is generally expressed as the percentage of outside

directors on the board. The board's principles are developed from the qualities or incentives variables that play an important role in monitoring and managing managers, and it can be regarded as a link between business management and shareholders. The board of directors is one of several internal governance structures that aims to ensure that shareholders' and management's interests are tightly aligned, offer information for monitoring, and promote effective decision-making. Board diversity and effectiveness are two major governance issues that many firms around the world are grappling with right now (Lincoln & Adedoyin, 2012).

The board's primary responsibility is to determine the company's goals and ensure that they are met, i.e. to ensure that human and financial resources are effectively used to fulfill the firm's overall strategic goals (SEC, 2011). The board of directors' structure and composition should include a diverse group of directors. The board should have a minimum of five directors, with at least one independent director. The majority of the board should be non-executive. Board size and independence are two criteria that are taken into account. Board qualities can be seen of as a dynamic process that includes a strategy that leads to policymaking and planning, monitoring and overseeing executive performance, and giving accountability that serves as the foundation for strategy revision (Tricker, 2015).

#### ***Board Credit Committee***

This could be regarded as a group of people who are assigned the responsibility of assessing the credit standing of prospective borrowers as well as the ability of the borrowers to repay the amount loaned to them by credit institutions. In the discharge of their mandate, the committee members identify the possible risks the bank assumes for different types of transactions. The Credit committee should realize that lending is giving out what belongs to you (deposits held in trust) to somebody else for use over a time frame with the promise that the borrower will repay the money with the agreed interest within the stipulated time. The borrower should not develop cold feet not to pay (unwillingness to pay) and should not divert funds (Egungwu & Egungwu, 2018)

A credit appraisal is a crucial component of assessing whether or not you are eligible for a home loan and how much you can borrow. A potential borrower must go through the bank's credit appraisal process at various levels. Each bank has its own set of standards for determining a borrower's creditworthiness. A person's eligibility for a loan is determined by his credit worthiness, which is assessed by the bank's norms and criteria. Because this is such an important step in the loan procedure, a borrower must arrange his financing options carefully. Credit worthiness ensures the borrower's repayment capacity, or if the borrower is capable of repaying the loan on time.

#### ***Asset Quality***

Asset quality in the banking business refers to a review or evaluation that determines the credit risk associated with any assets that generally need interest payments, such as investment and loan portfolios. Asset quality, as described by Ombaba (2013), is the overall risk associated with the numerous assets held by an individual or entity. Banks use this word to determine how many of their assets are at risk of financial loss and how much of a loss allowance they must make. The word asset quality refers to the quality of loans issued by a bank. If a bank's loans are being repaid on time, it is said to have good quality assets. Loans that are not paid on time are examples of poor quality assets. The statistic Non-Performing Assets is an essential indicator of a bank's asset quality (NPAs). NPAs are loans that have been unpaid for more than 180 days in terms of interest, installments, or principal. As a result, a higher proportion of nonperforming assets (NPA) indicates that a bank's asset quality is poor. Loans and advances are the most prevalent bank assets that require a thorough assessment of asset quality. Increasing loan quality will enhance bank loan returns and lower failure costs, but it will come at a price that banks must manage (Khalid, 2012).

Egungwu et al., (2018) opined that asset quality could be seen as a process of evaluating the risk associated with the credit which banks extend to their customers and is often considered as one of the most critical areas in determining the overall condition of a bank. The two main factors that

usually affect overall asset quality are the quality of the loan portfolio and the credit administration process. Thus, asset quality rating is an important factor in loan administration as it involves a review or evaluation of the credit risk a borrower takes by acquiring an asset thus is associated with the credit worthiness of the borrower. Asset quality is one of the parameters that are used to assess then overall performance of a bank via the CAMELs Rating (C = capital adequacy, A = Asset quality, M = management efficiency, E =Earning capacity, L =- Liquidity and S= Sensitivity). These measures often translate to asset quality ratios which in addition to those mentioned above includes profitability ratio. Asset quality is an evaluation of asset to measure the credit risk associated with it. An asset quality rating evaluates the various risks such as credit, to a pool of assets. Quality. Asset quality is the quality of the loan portfolio and the credit administration programme

### ***Bank Financial Performance and its Measurement***

Financial performance in banking among others can be defined as it is ability to generate profit. A profit can also be defined as what is left from revenue generated by a business after paying all the expenses including producing a product and other expenses incurred when running a business (Gedion, 2014). Narver and Slater, (2010) indicated that there exist varying ways of analyzing a business. However, the primary focus of the research is profitability ratios, which is the process of measuring the organizations potential in generating revenue which is higher than expenses incurred. The primary objective of every business is to maximize profits or as a way of reducing exposure to risks. Some of the rations used in measuring profits include Return on Asset and Return on Equity (ROE) (Hassan, 2011).

The way and processes followed by the firm on objects of economic value to sensibly utilize such things for the fulfillment of the main business purpose and objectives are key to the bank's performance. Banks are businesses, and like any other business, their primary goal is to generate a profit. The performance of a bank can be measured in terms of how the management functions or the outcomes of their actions. In light

of the latter, performance can be measured in terms of absolute profits, rate of return, earnings per share, asset quality, liquidity, and net contribution to the nation's economic progress. The ability of a bank to positively affect these environmental conditions and effectively survive in a competitive setting is also determined by its performance (Akingunola, et al., 2013).

Firm performance, according to Ifeanyi and Chukwuma (2016), is defined as the procedures by which a firm's resources are employed effectively, efficiently, and inexpensively to achieve the firm's objectives. It is also critical in determining the firm's overall success. The financial and non-financial performance criteria can be used to evaluate a company's performance. Financial performance measurements such as Return on Assets (ROA) and Return on Equity (ROE) are routinely utilized. Profitability is the primary goal of all commercial initiatives, according to Momoh et al. (2013). The business will not exist in the long run if it is not profitable. As a result, determining current and previous profitability, as well as estimating future profitability, is critical. Income and expenses are used to determine profitability. The term "income" refers to the money created by a company's operations. Expenses are the costs of resources depleted or consumed by a company's operations. An income statement is used to determine profitability.

### ***Theoretical Review***

#### ***Agency Theory***

Jensen and Meckling (1976) and Fama and Jensen (1977) established the agency theory (1983). The relationship between principals, such as shareholders, and agents, such as a company's senior management, is described in this theory. An agent is delegated work by the principal. The theory seeks to address two issues: first, the agency problem, which occurs when a company's management and stockholders have a conflict of interest, and second, the fact that the principal and agent have different risk tolerances. In a company, there are two major agency relationships that are usually at odds: those between the company's management and investors, and those between stockholders and debt holders. Corporate governance and business ethics are impacted by

these agency conflicts. In order to maintain an efficient agency relationship, such relationships incur high agency fees. Agency charges include incentive fees paid to agents to encourage behavior commensurate with the principal's objectives (Bowie & Edward, 1992).

Furthermore, agency theory is founded on the notion that many corporate executives are not owners, but rather agents hired by owners to run the company on their behalf (Ujunwa, Okoyeuzo and Nwakoby, 2012). The board of directors, according to Fama and Jensen (1983), is one of several fundamental mechanisms that regulate and monitor managers and plays a significant part in the company's managerial practices. The board of directors is charged with resolving issues of agency between managers and shareholders (Dang, Nguyen and Vo, 2013). According to this theory, a well-structured board and financial understanding will improve the board's efficacy and the firm's performance. Women, ethnic minorities, and foreigners as external stakeholders, according to agency theorists (Francoeur, Labelle, & Sinclair-Desgagné, 2007), may provide new answers to complex challenges. Female directors, for example, may be more active in monitoring and supervising management by asking more questions and bringing more viewpoints to the boardroom (Dang et al., 2013). Furthermore, diversity will strengthen board independence since directors of a different gender, ethnicity, or cultural background may pose questions that traditional directors would not (Carter, Simkins and Simpson, 2003). As a result, by boosting board independence, diverse boards will increase company performance.

### ***Resource Dependence Theory***

In 1978, American thinkers Jeffrey Pfeffer and Salancik established the 'Resource Dependence Theory,' in which the board of directors is viewed as a resource that may not only displace its need for other resources, but also affect the environment in its favor, so improving business performance (Bathula, 2008). The requirement for environmental linkages between the firm and outside directors is the basic proposition of this idea (Yusoff & Alhaji, 2012). As a result, the board of directors is viewed as a link between the firm and the important resources (i.e., knowledge,

talents, constituent access, and legitimacy) that a corporation need from the outside world in order to improve performance and growth.

The role of the board of directors as a resource to the corporation is theoretically supported by resource dependence theory. Penrose (1959) emphasized the relevance of a firm's distinctive bundles of resources that are critical to its growth. In order to improve efficiency and effectiveness, such resources comprise all assets, capabilities, organizational processes, company attributes, information, and knowledge owned by a corporation. Firm governance structure and board composition are considered as a resource that can contribute value to the firm from this perspective. The resource dependence theory claims that organizations try to assert control over their surroundings by co-opting the resources they need to live. As a result, boards are viewed as a link between the firm and the critical resources that a corporation requires from the outside world in order to achieve great performance. Outsiders on the board of directors can help get access to resources that are crucial to the firm's development. Outside directors in the resource dependence role contribute information, expertise, access to key constituents (e.g., suppliers, customers, public policy decision makers, social organizations), and credibility to the firm.

Putting things together, this theory perceives "the board members, with their knowledge, skills, talents, and professional experience, may be helpful in providing advice and counselling to management in case of limited or lack of inside knowledge. In addition, they could also provide the firm with access to scarce resources by providing the firm with access to their networks" (Sarens & Merendino, 2016).

### ***Empirical Review***

Pervin and Rashid (2019) examined the effect of Board Characteristics and Firm Performance: Evidence from Listed Banking Institutions of Bangladesh. To this end, the study analyzes five years data (2013 to 2017) of 30 banks listed in the Dhaka Stock Exchange. The results of the study demonstrate a significant positive effect of board independence and female directorship on market-based performance of the banks. However, the



effect of board size on both return on assets (ROA) and Tobin's Q are not statistically significant. Moreover, the study finds insignificant effect of board characteristics on accounting-based performance of the banks. Unfortunately, the result demonstrates an inverse association between ROA and Tobin's Q indicating that accounting and market based performance are not going in the same direction. The results of the study may be useful to the top management of those banks who seek to influence their performance by reshaping their boards.

The Impact of Asset Quality on Bank Financial Performance in India: A Comparative Study of Public and Private Sector Banks was investigated by Vethamuthu (2019). The study examined the impact of Asset Quality on selected financial characteristics such as efficiency, liquidity, profitability, and solvency of public and private sector banks over a ten-year period from FY 2005 to 2014. In the study, fourteen alternative ratios were used under these broad parameters. The census technique of sampling was used in this study, which included 46 banks, 26 of which were public sector banks and 20 private sector banks. The Reserve Bank of India provided the majority of the data for the study. The study has used descriptive statistics, correlation analysis, trend analysis, factor analysis, regression analysis and Anova.

Ogboru (2019) used time series data from the Nigeria Deposit Insurance Corporation annual reports and accounts, the CBN financial stability report, and the CBN statistical bulletin for various years to investigate asset quality and deposit money bank performance in Nigeria over a 30-year period spanning 1986 to 2016. Return on asset (ROA) as a proxy for Deposit Money Bank performance in Nigeria, ratio of non-performing loan to total loan (NPL), ratio of liquid assets to total assets (LAT), and ratio of liquid assets to short term liabilities (LAS) as asset quality indicators are among the factors studied. To examine the time series data, the study use both descriptive and econometric methodologies. The findings suggest that asset quality and deposit money bank performance in Nigeria have a short-term relationship. Furthermore, the co-integration result indicates the existence of a long-run

relationship between asset quality and deposit money bank performance in Nigeria, while the granger causality result indicates that asset quality and deposit money bank performance in Nigeria are causally related.

For a period of ten years, Abdulazeez, Lawal, and Yabagi (2019) investigated the impact of board structure (board size and independence) on asset quality (NPL and LDR) of listed deposit money banks in Nigeria (2008-2017). The study's quantitative data came from the annual reports and accounts of the fifteen (15) banks that were examined. Various robustness tests were performed to determine the presence or absence of multi-collinearity, the model's fitness, and the proper regression analysis for the study. To characterize and analyze the data, descriptive statistics, correlation, and OLS Robust regression were utilized. Board structure proxies were shown to have no meaningful impact on Asset Quality. The study concluded that, among other things, board independent directors should be encouraged to take their roles seriously in order to assist banks in improving asset quality.

Bouteska (2020) looked into the impact of board structure on bank performance in the Eurozone. The empirical evidence suggests that most board qualities promote bank performance, while the separation of the positions of CEO and chairman limits it, over a sample of 50 banks in five Eurozone nations, including the UK, Germany, France, Italy, and Spain, from 2000 to 2019. It was also discovered that a board size of 7 to 10 has a significant impact on bank performance utilizing fixed effects and random effects regressions, as well as a pooled OLS panel data estimate. We discovered that, in addition to board size, board independence has a favorable and considerable impact on bank performance. Furthermore, the number of board meetings and financial experts plays a significant effect in bank performance, according to the findings. When the roles of CEO and chairman are split, however, there is no significant improvement in bank performance.

From 2011 to 2015, Musa, et al. (2020) looked at how board gender diversity (especially women representation) affected the performance of

Nigerian banks. During the period, 16 (sixteen) banks were listed on the Nigerian Stock Exchange, constituting the population and sample. Board gender diversity was measured using three independent variables (women on the board- WOB; women on the board percentage- WBF; and the existence of a female chief executive- CEO), while financial performance was measured using two factors (return on asset- ROA and return on equity- ROE). Gender diversity has a large beneficial influence on ROA but has no effect on ROE, according to the study. As a result, it recommends that the number of women on boards of directors be increased, despite the fact that there is skepticism about policies aimed at expanding or promoting women to hold such positions in developing nations like Nigeria because of cultural, social, or religious affinities.

Bank Attributes and Financial Performance of Listed Deposit Money Banks in Nigeria: The Moderating Role of Information Technology, was investigated by Aliyu and Hassan (2020). In a sample of 15 listed DMBs, the study used a correlational and ex post facto research approach. Secondary data for a ten-year period (2009-2018) is used, and data is analyzed using multiple panel regression analysis. The findings of the study show that only asset quality and information technology have a significant impact on the performance of Nigerian listed DMBs, while the interactive variable fails to improve the relationship between capital adequacy, asset quality, management efficiency, liquidity, and profitability of Nigerian listed DMBs. According to the findings, there is a strong link between capital adequacy, earning ability, and information technology, as well as the performance of Nigeria's listed deposit money banks. For better results in the future, it is advised that the board of the Information Technology Strategy Committee establish a balance in the entire Information Technology investment portfolio in terms of risk, return, and strategy.

Musa, Abdulrasheed, and Umar (2020) investigate the impact of corporate governance features such as board size and ownership structure on the financial performance of Nigerian Deposit Money Banks (DMBs). For the year 2011-2015, panel data were gathered from the published Annual

Reports of 16 quoted/listed DMB in Nigeria. The dependent variables are Return on Assets (ROA) and Return on Capital Employed (ROCE), whereas the independent variables are Board Size and Ownership Structure. The study discovered that board size has a negative impact on both ROA and ROCE, while the effect is not statistically significant, and that the second dependent variable, ownership structure, has a positive impact on ROA but a negative impact on ROCE. As a result, the report suggests that authorities establish, consolidate, and review a rigorous and all-encompassing corporate governance structure as needed.

Using a panel regression model, Gameli, Atta, Pobbi, and Asiamah (2020) investigated the relationship between industry concentration and asset quality as key determinants of financial performance. The study used a sample of 24 universal banks from 2009 to 2018. Asset quality and moderating characteristics such as capital adequacy, liquidity, and bank size were found to influence the financial performance of indigenous banks, however the level of industry concentration had no effect on the financial performance of indigenous universal banks. The findings also revealed that asset quality has no bearing on foreign banks' financial performance, but rather operational efficiency, liquidity, bank size, and industry concentration. Because poor asset quality caused by non-performing loans has a negative impact on both domestic and international banks' financial performance, it is recommended that banks extend their size by investing in technology to diversify the impact of asset quality on financial performance.

### ***Theoretical Framework***

Following the review of various theories relevant to board characteristics and asset quality on financial performance, the main thrust of this study revolves around board characteristics and asset quality impact on the financial performance of deposit money banks in Nigeria. In view of this, this study uses agency theory and resource dependence theory. This is because both theories explain the rationale of board members contributing towards achieving firms objectives via improved performance.



Linking these theories to this study, firstly, agency theory firstly emphasizes that the board of directors is one of the important mechanisms that monitor and control managers and has a vital role in the managerial policies towards maximizing shareholders' wealth. Hence, bank's activities and achievements risk erosion if appropriate board of directors is not put in place. Appropriate board structure and financial knowledge will increase the board's effectiveness and ultimately, banks' financial performance. Secondly, the theory while resolving agency conflicts ranted for settling for risk tolerance by the board while dealing with management (Bowie, et al., 1992). While bank managers may want to expose banks to unnecessary risk by scrupulous granting loan and advances that will later turn to non-performing loan or loan loss, the board is saddled with that responsibility to mitigate the risk (especially credit risk) and put necessary control in order to improve financial performance of deposit money banks.

According to the resource dependence hypothesis, one of the board of directors serves as a resource that can not only be substituted for other resources but also has the ability to influence the environment in its favor. This includes, but is not limited to, providing legitimacy/bolstering the firm's public image, providing expertise, including the provision of internal firm information by executive directors, administering advice and counsel, linking the firm to important stakeholders or other important entities, facilitating access to resources such as capital, and building relationships with important stakeholders or other important entities (Huse, 2007). Theoretically, these numerous actions are linked since they all emphasize on the board as a resource supplier rather than an evaluator of management.

The model of Abdul Gafoor, et al., (2018) was adapted and stated as:

$$ROA = f(BC, AQ)$$

$$ROA_{it} = \alpha + \beta_1 BS_{it} + \beta_2 Bcredit_{it} + \beta_3 NPL_{it} + \beta_4 LEV_{it} + \mu_{it}$$

Where:

ROA = Return on Assets of bank i at time t;

$\beta_0$  = the intercept of the equation

$\beta_1-4$  = Coefficient of the independent variables

$BS_{it}$  = Board Size of bank i at time t.

### 3. Methodology

This study adopted the ex-post facto research design given that it is targeted at analyzing the impact of some independent variables on a specified dependent variable. The population of interest for this study comprised the thirty-three (33) deposit money banks (listed and non-listed) as at December 2019 for the period of six years from 2014 to 2019. The target respondents (sample size) is 20 money deposit banks out of the 33 DMBs. The sample size represent those deposit money banks that have international, national and non-interest banking license. Considering the variables to be tested for this study, regional factors could influence the result which made the researcher to focus on banks with international and national license. In order to select the sample size stated above, purposive sampling technique was used to enhance the representativeness of the population as well as achieving the objectives of this study.

The study used Panel Least Square regression model to examine the impact of board characteristics and asset quality on the financial performance of deposit money banks in Nigeria. Panel least square regression technique was used to analyze the panel data sourced from the financial statement because of its effectiveness and efficiency in estimating the statistical relationship/impact of one variable on another variable. Prior to the main analysis, since panel data is used for this study, pairwise correlation test was conducted to ascertain relationship between the independent variables and dependent variables and also testing for multi-collinearity among the regressors in compliance with the classical assumption of OLS. Housman test was further conducted to select between fixed and random effect.

Bcreditit = Board Credit Committee of bank i at time t.  
 NPLit = Non-performing loan of bank i at time t  
 LEV<sub>it</sub> = Leverage of bank i at time t.  
 μ<sub>it</sub> = Error Term

**4. Results and Discussion of Findings**

**Descriptive statistics**

Table 1 presents the descriptive statistics of dependent variable (Return on assets) and explanatory variables (Board Size, Board Credit Committee, asset quality, and leverage) of sampled deposit money banks in Nigeria.

**Table 1: Descriptive Statistics of the Variables**

	ROA	Bcredit	Bsize	LEV	NPL
Mean	0.200603	0.631272	0.017804	0.157511	0.020841
Median	0.184884	0.598039	0.015162	0.095194	0.011092
Maximum	1.406169	0.967756	0.155460	1.380923	0.103418
Minimum	0.000000	0.121342	-0.006346	0.000000	-0.024242
Std. Dev.	0.144541	0.201748	0.021434	0.225172	0.027076
Skewness	5.450881	-0.058050	4.376248	3.147126	1.497519
Kurtosis	44.17694	2.281495	28.99845	13.80397	4.982631
Sum	24.07236	75.75268	2.136526	18.90130	2.500935
Sum Sq. Dev.	2.486170	4.843589	0.054672	6.033588	0.087238
Observations	120	120	120	120	120

Source: Author's Computation, 2021.

Table 1 shows that return on asset has a minimum and maximum of 0.0000 and 1.4062, respectively, with a mean of 0.2006 and a standard deviation of 0.1445. Because the standard deviation is higher than the mean value, the data deviates from the mean by 0.1445, showing that there is a considerable dispersion of the data from the mean. The board credit committee of the sampled deposit money banks' mean is 0.6313, with a standard deviation of 0.2017 and minimum and maximum values of 0.1213 and 0.9678, respectively, according to the table. This means that the average performance of deposit money banks in terms of board credit committee is 0.6313, and the standard deviation value indicates that the sampled DMBs' board credit committee deviates from the mean value on both sides by 0.2017, implying that the data is significantly dispersed from the mean because the standard deviation is lower. The average board size of the DMBs sampled is 0.0178, with a standard deviation of 0.0214. -0.0064 and 0.1555 are the minimum and maximum values, respectively. This means that the average payment period of the sampled firms is 0.0178, and the standard deviation value reveals that the value deviates

from the mean by 0.0214 on both sides, meaning that the data is dispersed from the mean because the standard deviation is more than the mean.

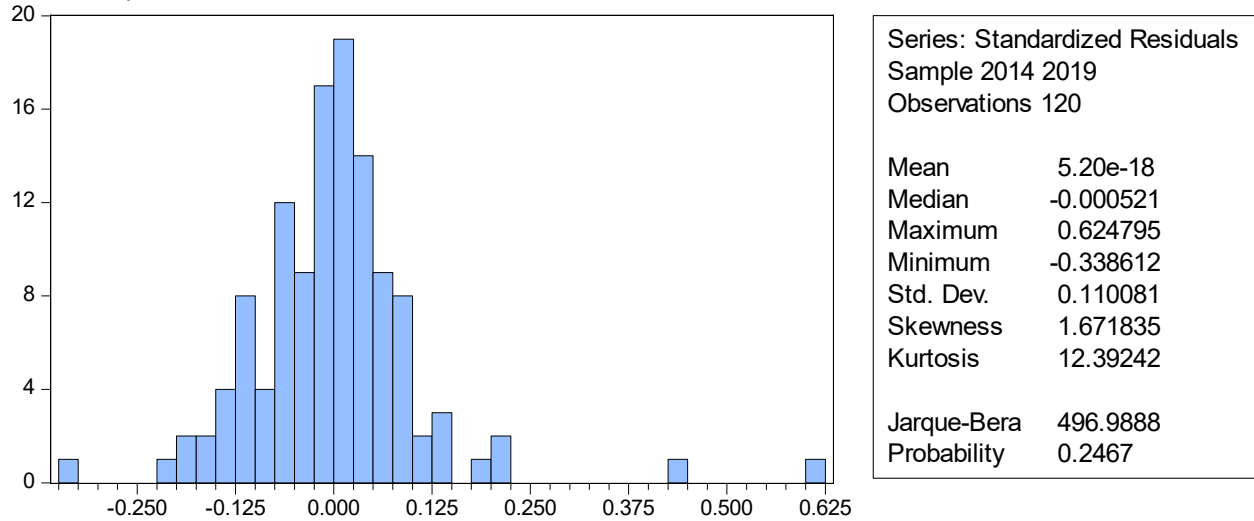
Furthermore, the sampled deposit money institutions' leverage is 0.1575 on average, with a standard deviation of 0.2252. 0.0000 and 1.2809 are the least and greatest values, respectively. This means that the average leverage of the sampled deposit money institutions is 0.1575, and the standard deviation value indicates that the value deviates from the mean by 0.2252 on both sides, meaning that the data is dispersed from the mean because the standard deviation is more than the mean. Finally, the asset quality has an average value of 0.0208 and a standard deviation of 0.0271 as shown in the table. -0.0242 and 0.1034 are the minimum and maximum values, respectively. This means that the average asset of the sampled deposit money banks is 0.024, and the standard deviation value indicates that the value deviates from the mean by 0.0271 on both sides, implying that the data is not dispersed much from the mean because the standard deviation is slightly larger than the mean.

**Preliminary Analysis of Data**

This section presents the results of the diagnostic tests concerning the distribution of the scores of the study's variable and their relationship. The preliminary test is conducted to ensure non-violation of the assumptions (non-existence

multicollinearity of independents variables, and normality and linearity of the distribution of scores on the variables) of the multiple regressions techniques used for the testing of hypotheses on the research questions raised.

**Normality test**



**Figure 1: Histogram and normal probability plots**  
 Source: Author's computation, 2021.

The primary preliminary test for a data analysis is normality test. Figure 1 indicated that the data relating to the research variables were normally distributed as the p-value are not significant at 0.05. As a result of this, the researcher found parametric statistical analysis very appropriate in the study.

The results of correlation analysis among the variables are presented in Table 2. This is a useful exercise for two reasons. The first step is to see if each pair of dependent and independent variables has any bivariate correlations. The second is to show that the correlations between the explanatory variables aren't so strong as to cause multi-collinearity issues.

**Pairwise Correlation**

**Table 2: Pairwise Correlation**

	ROA	Bcredit	Bsize	Npl	Lev
ROA	1.000000				
Bcredit	0.209925	1.000000			
Bsize	0.433825	-0.072232	1.000000		
Npl	-0.085688	-0.196612	-0.241308	1.000000	
Lev.	-0.105509	-0.031066	-0.004951	0.000496	1.000000

Source: Author's computation, 2021.

Table 2 shows that the board credit committee has a 0.209925 positive correlation coefficient with return on assets. This suggests that the board credit committee and return on asset have a

moderately good association. Furthermore, with a correlation of 0.433825, board size is positively correlated with return on asset. This also suggests that the return on asset and board size have a

moderate relationship. The return on asset is similarly positively correlated with financial skill and bank size, with coefficients of 0.158134 and 0.016845, respectively. Asset quality and leverage, on the other hand, are inversely connected with return on assets. This demonstrated the fact that the variables and the return on asset have a negative relationship.

Pairwise correlation was used in this study to investigate the latent components through a correlation matrix in order to find multicollinearity. A correlation coefficient of 0.90 and above, according to Hair et al. (2010), implies

multicollinearity between exogenous latent components. The result demonstrates that the variables do not multi-collinear.

**Regression Result**

The major goal of this study is to look at the impact of board characteristics and asset quality on the Nigerian deposit money banks’ financial performance. A panel data regression analysis was used to accomplish this. Perhaps, both random and fixed effect model were analyzed and Hausman specification test was conducted to decide on the best estimates from the both model results.

**Hausman Test**

**Table 3: Hausman Test**

Test Summary		Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random		7.945486	7	0.3374
Cross-section random effects test comparisons:				
Variable	Fixed	Random	Var(Diff.)	Prob.
BCREDIT	0.229470	0.205724	0.001283	0.5073
BSIZE	2.863055	2.891225	0.059302	0.9079
LEV	0.059837	0.028885	0.003166	0.5823
NPL	0.566834	-0.098868	0.132305	0.0672

Source: Author’s computation, 2021.

Table 3 shows the results of the Hausman specification test, which was used to test the endogenous regressors. By finding the values of the endogenous regressors determined by other variables in the system, it is possible to confirm that there is no link between a predictor variable and an error term. Table 3 indicates a chi2 value

of 7.9454 with a probability of 0.3374, which is greater than the significant margin of 0.0500. As a result, the null hypothesis is accepted, stating that the discrepancy in coefficients is not systematic. As a result of the findings, the random effect was acknowledged and understood as the most appropriate model.

**Panel Least Squares Regression Result**

**Table 4: Panel Least Square Regression**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.339927	0.078649	4.322085	0.0000
BCREDIT	0.229470	0.078170	2.935546	0.0042
BSIZE	2.863055	0.684794	4.180899	0.0001
LEV	-0.059837	0.079647	-0.751279	0.4545
NPL	-0.566834	0.605568	-0.936038	0.0318
Effects Specification				
R-squared	0.419988	Mean dependent var		0.200603
Adjusted R-squared	0.215666	S.D. dependent var		0.144541
S.E. of regression	0.128010	Akaike info criterion		-1.050244
Sum squared resid	1.442009	Schwarz criterion		-0.306913
Log likelihood	95.01466	Hannan-Quinn criter.		-0.748374

F-statistic	2.055516	Durbin-Watson stat	2.045079
Prob(F-statistic)	0.004683		

**Source: Author's computation, 2021.**

The coefficient of determination (R-squared) for the panel data (random effect) output in Table 4 is 0.4199, implying that explanatory variables (board credit committee, board size, asset quality, leverage) were able to explain 42% of the total variation in return on asset (ROA). The remaining 58% represent other explanatory variables (stochastic/unobserved) that also predict the dependent variable (ROA). In general, the outcome demonstrated the model's strong goodness of fit. The likelihood of 0.0046 indicates that all independent variables were jointly significant in explaining return on asset, indicating that the F-statistics was significant at 5%. Also, the Durbin-Watson of the model indicates 2.05 which also indicates that there is no autocorrelation in the residuals.

With respect to the coefficients, the constant (C) has a value 0.3399, whose implication is that if all the explanatory variables are held constant or pegged at zero (0), the explained variable-return on assets will surge by 0.3399 units. This shows that regardless of change on the explanatory variable, firm's profitability will be elevated. Also, board credit committee has a coefficient of 0.2295 on return on asset. This means that a unit change in board credit will result in a 0.23 rise in return on asset while all other predictors remain constant. Return on asset has a coefficient of 2.8631, which means that if all other variables remain constant, a unit increase in board size will result in a 2.86 rise in return on asset.

Contrarily, leverage has coefficient of -0.0598 implying that a unit change in firm's size holding other variables constant will lead to a decrease 0.06 in return on asset. Lastly, asset quality (non-performing loan) has a coefficient -0.5668 implying that holding other variables constant, a unit change in asset quality will precipitate 0.57 decrease in return on assets.

**Restatement and Testing of Hypotheses  
Board size and Financial Performance**

HO1: Board size has no significant impact on the financial performance of deposit money banks in Nigeria. The regression analysis conducted in

Table 4.4 above shows that the coefficient of board size is positive. This implies that increase in board size leads to increase in financial performance of deposit money banks. In addition, the p-value of board size is 0.0001 which is lower than 0.05 i.e. it is statistically significant. Therefore, the null hypothesis is rejected while the alternative hypothesis is accepted which states that board size has significant impact on the financial performance of deposit money banks in Nigeria.

**Board Credit Committee and Financial Performance**

HO2: Board Credit Committee do not significantly impact on the financial performance of deposit money banks in Nigeria. The regression analysis conducted in Table 4.4 above shows that the coefficient of board credit committee is positive implying that increase in board credit committee leads to increase in financial performance of deposit money banks. In addition, the p-values of board credit committee is 0.004 which is lower than 0.05 i.e. it is statistically significant. Hence, the null hypothesis is rejected while the alternative hypothesis is accepted which states that board credit committee has significant impact on the financial performance of deposit money banks in Nigeria.

**Asset Quality and Financial Performance**

HO4: Asset quality has no significant effect on the financial performance of deposit money banks in Nigeria. The coefficient of non-performing assets is negative in the regression analysis shown in Table 4.4, meaning that an increase in non-performing assets causes a decline in deposit money bank financial performance. Furthermore, financial expertise has a p-value of 0.0318, which is less than 0.05, indicating that it is statistically significant. As a result, the null hypothesis is rejected, while the alternative hypothesis, that asset quality has a large impact on deposit money bank financial knowledge and performance in Nigeria, is accepted.



### **Discussion of Findings**

Following the study of information acquired from the financial accounts of the sampled Nigerian deposit money banks, the empirical findings of the research showed that to a very large extent, board characteristics and asset quality has impact of the financial performance of deposit money banks in Nigeria. The study revealed that board size has positive impact and it is significant. The implication is that the larger the board, the more diverse it seems to be in terms of composition, qualification and experience which they are to put to fore in making strategic decision that may positively or negatively impact on the deposit money banks especially performance. Experience has shown that a hallmark of many large public firms that have fallen spectacularly in the past has been a domination of the board's decision-making by an individual or a small group of individuals. This finding conforms with Abdul Gafoor, et al., (2018); Anis, et al., (2013); Javed, et al., (2013); Nyamongo, et al., (2013); Johl, et al., (2015); Odudu, et al., (2016); Hassan (2011); Jadah, et al., (2016) who asserted that the bigger the board size, the better for the performance of the firms. This finding is however contrary to Chechet, et al., (2013); Hassan, et al., (2013); Ghabayen (2012); Musa, et al., (2020) who opined that larger board size negatively affect the performance of firms.

Furthermore, the research found that the board credit committee has positive impact on the financial performance of deposit money banks in Nigeria and the result shows that it is statistically significant. This implies that board credit committee plays a supervision role to the banks' loan officers who directly relates to banks customers and evaluate their loan proposal. The board credit committee having exercised their objective analysis in appraising the loan proposal submitted by banks customers, the credit risk of the banks that may constitute loss to the banks will be reduced to a barest minimum thereby improving the financial performance of deposit money banks in Nigeria. Risk is germane in determine the profitability of deposit money banks as ineffectiveness in its management will make financial performance unstable, affects banks' liquidity and ultimately lead to banks' distress. This findings is in consonance with the study of

Chechet, et al., (2013); Egungwu, et al., (2018) and contrary to the study of Momoh, et al., (2013); Hassan, et al., (2013); Ghabayen (2012);

In addition, this study found that asset quality negatively impact on the financial performance of deposit money banks and the result indicates that asset quality statistically significant. The larger the non-performing assets of the deposit money banks, the greater the effect on the financial performance of deposit banks in Nigeria and ultimately affect shareholders' wealth maximization. The huge asset quality of deposit banks in Nigeria may be attributed to huge and backlog of debts owed by the public enterprises and efforts to recover have been proved abortive because of government backing. This findings is in consonance with Francis, et al., (2012); Liang, et al., (2013); Momoh et al., (2013); Abata (2014); Adam (2014); Oyerinde (2014); Shettima et al., (2015); Oyedokun (2019); Bouteska (2020); Barus (2017); but contrary with the study of Adebisi, et al., (2015); Kariuki, et al., (2016); Ujunwa (2012); Khalid (2012); Muhmad, et al., (2015); Thiagarajan (2016); Kadioglu, et al., (2017);

### **5. Conclusion and Recommendations**

It is clear, based on the outcomes of this investigation, that board characteristics and asset quality plays significant role in the Nigerian deposit money banks' financial performance. This is explained by the linear relationship between the dependent and independent variables, as well as the regression results, which demonstrated the influence of both variables, as well as the magnitude with which board characteristics and asset quality influenced the financial performance of deposit money banks in Nigeria. Among the board characteristics variables employed for this research, board credit committee is prime when it comes to granting loans and advances as whatever decisions taken at the committee have consequential effect on asset quality, loan loss and ultimately financial performance of deposit money banks.

Credit risk is a concern for deposit money banks, and loans and advances are typically among the riskiest assets that can jeopardize bank liquidity and cause distress. Therefore, the significance of



asset quality on financial performance requires much attention as efforts is on the bank management to effectively manage its credit risk else, it financial performance will be unstable. This shows that profit before taxes is affected by credit policy. As a result, good credit risk management is critical for banks to safeguard their assets and protect the interests of their investors.

Because the board size of deposit money banks has an impact on their financial performance, this study recommends that the board size of deposit money banks be rationalized in accordance with the Corporate Governance Code, and that its composition be diverse enough to accommodate qualifications and experience that will add value to improving deposit money bank financial performance. The study also revealed that board credit committee has a positive impact on deposit money bank financial performance. As a result, it is recommended that the Central Bank of Nigeria mandate the existence of a board credit committee to supervise the roles of loan officers in order to reduce deposit money bank risk exposure, as this role is currently performed by the audit committee. Lastly, as a result of the study's findings that asset quality hampered money deposit banks' financial performance, it is recommended that all credit risk managers and lending officers strictly adhere to good lending practice; they should know the purpose of the loan and ensure the feasibility of every loan proposed, as this will help inform policy decisions in improving credit appraisal metrics.

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# Effect of Petroleum Profit Tax on Economic Growth in Nigeria

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## ABSTRACT

*This study examined the effect of Petroleum Profit Tax (PPT) on economic growth in Nigeria. Specifically, the study determined the effect of PPT on the Gross Domestic Product (GDP) in Nigeria and as well ascertained the effect of PPT on Total Oil Revenue (TOR) in Nigeria. The data used for the study were gathered from the Central Bank of Nigeria (CBN) Statistical Bulletin and the Nigerian Bureau of Statistics (NBS) Annual Report for a period of 50 years (1971 to 2020). Data were analysed using descriptive statistics and Ordinary Least Squares (OLS) regression. Results from the analysis reveal that PPT insignificantly increases GDP in Nigeria. Findings further reveal that PPT significantly increases oil revenue in Nigeria. In line with the findings of the study, we conclude that PPT does not contribute significantly to the GDP of Nigeria. Based on our findings, we suggest that government at all levels should prioritise the needs of the citizens through provision of healthcare, food, security, and education, among other things, so as to encourage their level of tax compliance for more revenue that can be ploughed back into economic growth projects in the country.*

**Keywords:** Petroleum profit tax, Economic growth, Gross domestic product, Total oil revenue

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## **1.0 Introduction**

One of the important taxes at the Jurisdiction of the Nigerian Federal Government is the Petroleum Profit Tax (PPT). The Nigerian economy greatly relies on the petroleum sector for bulk of its revenue as the country is known globally as one of the frontiers in oil and gas production. Since the petroleum sector is the hub of Nigerian economy, every income accruing from petroleum operation is of great importance to the country.

Established by the Petroleum Profits Tax Act (PPTA) 1959 as amended, PPT is a compulsory remittance accruing from the profit of companies engaged in petroleum operations in Nigeria. Under the PPTA, petroleum operations include winning or obtaining oil in Nigeria for a company's account through any drilling, mining, extracting, or other like operations or processes, excluding refining at a refinery, in the course of a business carried on by the company engaged in such operations, as well as all operations incidental thereto, and any sale or disposal of chargeable oil by or on behalf of the company. The main aim of PPTA is to regulate and control the procedure of taxation of companies engaged in petroleum activities in Nigeria (Jibrin, Blessing, & Ifurueze, 2012).

The relevance of revenue in fuelling economic growth cannot be overemphasized. It is the responsibility of the government to provide necessary health and social amenities, infrastructure, food, and security, among other things to the populace in order to attain economic growth. These however, are subject to sufficient funding. In recent times, the Nigerian economy is declining by the day. Public, private institutions and the general masses are carrying out their functions poorly owing to the deplorable state of security, health, transportation, water, food, and education (Edewusi & Ajayi, 2019).

The negative impact of the Niger-Delta militants, terrorism, banditry, herdsmen, and the novel Corona Virus Disease (COVID-19), among others on the growth of the Nigerian economy cannot be overemphasized. Generally, federally collected revenue has continued to decline. Results from the CBN Statistical Bulletin (2020) suggest a 10 percent decrease in revenue from 2019 to 2020.

Oil revenue which contributed over 70 percent of the country's revenue in prior years now contributes an average of 53 percent for 5 consecutive years (2016 to 2020). This indicates a decline in the revenue needed for economic growth of country. Similarly, it is also perceived that the failure of successive governments in effectively and efficiently utilising revenue especially accruing from petroleum operations in developing other sectors of the economy as one of the main reasons for Nigeria's deplorable state (Inimino, Otubu, & Akpan, 2020). This therefore raises concern as to the effectiveness of revenue from petroleum operations on the growth of the Nigerian economy. It is against this background that this study seeks to examine the effect of petroleum profit tax (PPT) on economic growth of Nigeria.

### **1.1 Objectives**

The study seeks to examine the effect of petroleum profit tax (PPT) on economic growth of Nigeria. Specifically, the study:

- i. Determines the effect of PPT on the Gross Domestic Product (GDP) in Nigeria
- ii. Ascertain the effect of PPT on the Total Oil Revenue (TOR) in Nigeria

### **1.2 Research Questions**

The study seeks to answer the following questions:

- i. To what degree does PPT affect GDP in Nigeria?
- ii. To what extent does PPT affects the TOR in Nigeria?

### **1.3 Hypotheses**

Ho<sub>1</sub>: PPT does not significantly affect GDP in Nigeria

Ho<sub>2</sub>: PPT does not significantly affect TOR in Nigeria

## **2.0 Literature Review**

### **2.1 Conceptual Framework**

Petroleum profit tax (PPT) is a tax charged on companies that engage in petroleum operations. Particularly, it relates to rents, royalties, margins and profit-sharing elements associated with oil mining, prospecting and exploration leases (Onaolapo, Fasina, & Adegbite, 2013). It is an indirect tax system levied by the government

on the activities of companies operating in the upstream sector of petroleum industries (Ibrahim, Bukar, Ali, & Mamuda, 2018). The petroleum profit tax is levied, assessed, and paid on the earnings of any enterprise or company engaged in petroleum operations throughout its accounting period, which is normally one year (Anyanwu, 1993). Federal Inland Revenue Service is saddled with the responsibility of administering PPTA. PPT is one among several revenue accruing to the federal government from petroleum activities in Nigeria. Others include revenue from export sales, domestic sales, and taxes on petroleum products among others (CBN Statistical Bulletin, 2020).

Generally speaking, Economic growth is defined as an increase in the number and quality of resources available in a given economy (Adofu and Alhassan, 2018; Egwu, 2018; Haller, 2016; Orugbani, 2011). Economic growth, according to Udeh, Okoroafor, and Ihezue (2013), is defined as the country's expanding productive capacity to meet the economy's requirements and demands through time. Similarly, Haller (2016) defines economic growth as a process of increasing the size of national economies, with macroeconomic indicators, particularly per capita Gross Domestic Product (GDP), moving upward but not necessarily linearly, with positive effects on the economy's economic and social indices. Thus, economic growth is measured as the percentage rate of increase in Real Gross Domestic Product or Real GDP.

Petroleum profit tax has been associated with economic growth and development by prior studies. Ogbonna (2009) averred that the administration of PPT in Nigeria has majorly been focused on revenue generation while little attention has been given to its stimulating effect on economic growth and development. The government requires revenue for activities that will enhance development and economic growth. Also, the system of petroleum tax has been planned to provide impartiality, so that an investment project which is profitable for an investor before tax will also be profitable after tax. This makes it possible to synchronize the desire to secure significant revenues for the community with the obligation to provide sufficient post-tax

profitability for the companies (Kjell and Petter 2011).

Conversely, increases in natural resource income, on the other hand, foster rent-seeking in the economy, where all economic units, whether private or public, local or international, are compelled to seek connections with the state in order to share in the resource pie. This motivation for rent-seeking penalizes productive activities, disrupts the entire economy and prevents economic growth (Bawa and Mohammed 2007). In 2009, continual inflation and environmental degradation led to removal of means of livelihood and other socio-economic factors to the people of Niger Delta which is the major oil producing state in Nigeria. Despite the fact that crude oil is Nigeria's main source of revenue, the country's economy continues to be plagued by widespread oil spills, high unemployment, and a declining standard of living due to falling GDP, per capita income, and inflation, all of which have harmed the country's economic development (Nwezeaku 2010).

## **2.2 Theoretical Framework**

### **2.2.1 Socio-Political Theory**

Adolph Wagner (1883) advocated that political and social objectives should be the factors that decide the choosing of taxes. Wagner did not believe in approaching a problem from the stand of point of being individualistic. According to him, every economic problem should be viewed from the angle of its social and political context and proper solution should be provided. When designing the tax system, it should not be done to serve individual members of the society; rather it should be used to cure the ills of society as a whole. In other words, Wagner was advocating a modern welfare approach in evolving and adopting a tax policy, that is focus should be made at bring about reducing income equality. He maintained that private property and inheritance were not because of any God-given rights are results of policies formulated by the state. As a result, the State possessed the legal authority to regulate property ownership and inheritance in the public interest. Wagner's views, though widely



panned at the time, have since become the standard for modern state fiscal strategies.

### **2.2.2 Benefit received theory**

The benefit theory of Lindahl (1919) provides a theoretical foundation for this study. The theory holds that the share of taxes on goods and services attributed to an individual or entity to the government should be equal to the benefits received by the individual or entity. While being fair to the individual or entity, such arrangement also tend to increase the levels of government provisions. According to this theory, taxes should be imposed on individuals and entity in relation to goods and services they benefit from the government. To this end, a government that cannot provide adequate security, health, food, infrastructure, among other essentials of economic growth should not impose high taxes on individuals and entities. Under this theory, tax avoidance is high when the government fail to provide adequate essential goods and services to the citizens.

The benefit theory also comes with its pitfalls. This theory contradicts tax principle as a compulsory payment such that it encourages tax avoidance when citizens feel they are not enjoying goods and services from government. Another contending perception of this theory is the perceived difficulty in separating the benefits received per citizen since most of government spending is meant to benefit all its citizens. However, the theory encourages that government provides goods and services as these forms a basis for tax compliance from the citizens. Economic growth would be achieved when government provide goods and services that will improve the standard of living in the country.

The study is fastened on the benefit theory because every tax system is intended to encourage compliance and improve revenue. Government revenue are generally used to fuel economic growth activities. Therefore, when the goods and services provided by the government to its citizen are improved, it will not only improve economic growth but also replenish government revenue since the citizens will be more motivated to pay taxes.

### **2.3 Empirical Works**

Aminu, Ibrahim and Sulu-Gambari (2020) examined the effect investigation of petrol benefit charge and monetary development in Nigeria. Utilizing time series information acquired from the Nigerian Bureau of Statistics (NBS) and Central Bank of Nigeria (CBN) Statistical Bulletin from 1985 to 2019. They utilized Co-joining and completely altered customary least squares as the methods of investigation. They observed the presence since quite a while ago run connection between petrol benefit charge and financial development in Nigeria. Their outcomes likewise recommend that petrol benefit charge sway decidedly and essentially on monetary development in Nigeria. The discoveries further proposes that administration sway emphatically on financial development in Nigeria, while non-oil charge income sway contrarily on monetary development in Nigeria.

Inimino, Otubu and not set in stone the effect of petrol benefit charge on economic growth in Nigeria. Information were gotten inside the time of 1980 to 2017 on GDP and PPT from the CBN Statistical Bulletin. They utilized econometric strategies in breaking down the information. In particular, Generalized Method of Moments (GMM), Granger Causality and Augmented Dickey Fuller (ADF) unit root tests were utilized. They observed that every one of the intermediaries were fixed at request one. They additionally observed that PPT and GDP have a critical and positive relationship. The pairwise granger causality test showed a bidirectional causality among PPT and GDP.

Obaretin and Monye-Emina (2019) learned the effect of petrol benefit charge on Nigeria's monetary development. They utilized a review research technique and acquired information from the Annual Statistical Bulletin of the CBN and the Annual record from the Office of the NBS for quite a long time (1994 to 2015). They examined the information got utilizing the normal least square factual technique. The report shows that oil annual duty and unfamiliar direct speculation fundamentally affects Nigeria's financial development.



Etale and Bingilar (2016) examined the connection between oil benefit charge, individual personal expense and monetary development in Nigeria. Time series information were utilized from 2005 to 2014 from the CBN Statistical Bulletin. Genuine GDP was utilized to intermediary monetary development. Information were examined utilizing Ordinary Least Squares (OLS) procedure. The outcomes uncovered that both oil benefit expense and individual personal duty have essentially sure relationship with monetary development.

Gopar, Dalyop and Yusuf (2016) analyzed the causal connection between petrol benefits charge and monetary development in Nigeria. They got information for a time of 1999 to 2015 from the CBN Statistical Bulletin and Annual Reports. Financial development was estimated utilizing GDP. The OLS method, Correlogram Q Statistic, Johansen Co-mix and the Granger Causality tests were used by the specialists. Discoveries uncovered that petrol benefits charge has a huge positive relationship with monetary development, however doesn't granger cause financial development throughout the years viable.

Ilaboya and Ofiafor (2014) investigated the connection among PPT and monetary development in Nigeria. The review spread over a time of 32 years (1980 to 2011). Time series tax assessment and macroeconomic information were gathered from FIRS, CBN Statistical Bulletin and Federal Office of Statistics. A mix of co-mix and blunder rectification assessment methods were utilized in the review. They observed that PPT have a measurably huge positive relationship with genuine GDP development rate.

Abdul-Rahamoh, Taiwo and Adejare (2013) discovered the impact of PPT on Nigeria economy. Time series information were acquired from CBN Statistical Bulletin, covering a time of 1970 to 2010. Multiple straight relapse was utilized to investigate the information. The review free factors including PPT, expansion and conversion scale were totally found to effectsly affect GDP. Abdul-Rahamoh, Taiwo and Adejare (2013) determined the impact of PPT on Nigeria economy. Time series information were gotten from CBN Statistical Bulletin, covering a time of 1970 to 2010. Multiple direct relapse was utilized

to dissect the information. The review autonomous factors including PPT, swelling and conversion standard were completely found to effectsly affect GDP.

Ogbonna and Ebimobowei (2012) investigated the effect of oil benefit charge on the monetary development of Nigeria. They acquired information from CBN and the Federal Inland Revenue Service (FIRS) from 1970 to 2010. Information were examined utilizing pertinent econometric trial of Breusch-Godfrey, Serial Correlation LM, White Heteroscedasticity, Ramsey RESET, Jarque-Bera, Johansen Co-joining and Granger Causality. They tracked down that there exist a since a long time ago run balance connection between financial development and petrol benefit charge. It was likewise observed that oil benefit charge does granger cause GDP of Nigeria.

Jibrin, Blessing and Ifurueze (2012) broke down the effect of oil benefit charge on the financial improvement of Nigeria. Information were gotten for the period 2000 to 2010. Gross domestic product was utilized to intermediary financial development. Information were broke down utilizing the OLS procedure. Discoveries uncovered that PPT essentially and decidedly impacts on GDP of Nigeria. Additionally absolute oil income was found to fundamentally and emphatically affect GDP of Nigeria.

From the inevitable, results proposes a positive and critical connection among PPT and GDP. Notwithstanding, two unmistakable procedures have been dominatingly utilized by analysts. While around 45% of the surveyed works utilized the OLS relapse procedure, 55% utilized time series relapse strategy to likewise represent since a long time ago run connections. Likewise, simply 2 examinations had the option to utilize information as long as 40 years. This review plans to add to existing writing by utilizing the OLS strategy with information crossing for as long as 50 years.

### **3.0 Methodology**

The ex-post facto research design is adopted for the study because of its relevance in studies that examine the effect of past factors on present happenings (Akpa, 2011). Data relating to the

study were obtained from the Nigerian Bureau of Statistics (NBS) Annual Reports and the CBN Statistical Bulletin for a period of 50 years (1971 to 2020). Data were obtained on GDP, PPT and TOR. Country age (AGE) was added as a control

variable to improve the predictive power of the independent variable. Data analysis was done using descriptive statistics and Ordinary Least Squares (OLS) regression analysis.

The following OLS regression models was formulated to guide the study.

$$GDP_t = \beta_0 + \beta_1 PPT_t + \beta_2 Age_t + e_t \dots\dots\dots(1)$$

$$TOR_t = \beta_0 + \beta_1 PPT_t + \beta_2 Age_t + e_t \dots\dots\dots(2)$$

where:

GDP<sub>t</sub> = Gross Domestic Product for the period covered

PPT<sub>t</sub> = Petroleum Profit Tax for the period covered

TOR<sub>t</sub> = Total Oil Revenue for the period covered

Age<sub>t</sub> = Age of Nigeria from independence to periods covered

β<sub>0</sub> = Constant

β<sub>1</sub> = Model coefficient

e<sub>t</sub> = error term for the period covered

**4.0 Results**

**Table 1: Summary Statistics of the Study Variables**

Variable	n	Mean	SD	Min	Max
GDP ₦ Billion	50	27,000	42,700	4.72	152,000
PPT ₦ Billion	50	709	967	0	3200
TOR ₦ Billion	50	1990	2620	0.51	8880
Age	50	35.5	14.58	11	60

*Source: STATA Output, Version 16.0*

Results from Table 1 reveals the number of observation (n), mean, standard deviation (SD), minimum and maximum values of all the study variables. The number of observations stood at 50, indicating that data were obtained on the study variables for a period of 50 years (1981 to 2020). The mean, standard deviation, minimum and maximum values of GDP stood at 27000, 42700, 4.72 and 152000 respectively. This indicates that during the study period, the average GDP stood at about twenty-seven trillion naira with fluctuations amounting to about forty-two trillion seven hundred billion naira. The minimum value of GDP during the period stood at about four billion seven hundred and twenty million naira in 1971 while the maximum stood at about one hundred and fifty-two trillion naira in 2020. PPT showed a mean, standard deviation, minimum and maximum values of 709, 967, 0 and 3200 respectively. This indicates that about seven hundred and nine billion naira was averagely collected as PPT with variations in the mean amounting to about nine hundred and sixty-seven

naira. There was no PPT revenue in 1977 however, the highest PPT collected during the period stood at three trillion two hundred billion naira in 2012. TOR revealed a mean, standard deviation, minimum and maximum values of 1990, 2620, 0.51 and 8880 respectively. This indicates that on average, about one trillion nine hundred and ninety billion naira was collected as oil revenue in Nigeria. This witnessed variations to the tune of two trillion six hundred and twenty billion naira. During the period, the minimum value of TOR stood at five hundred and ten million naira in 1971 while the maximum stood at eight trillion eight hundred and eighty billion naira in 2011.

**Table 2: Robustness tests**

Test	p-value/test statistics	
	Model 1	Model 2
Jarque-Bera	0.1383	0.2541
Heteroscedasticity	0.8606	0.0478
Durbin Watson	0.4068836	0.3165791

*Source: STATA Output, Version 16.0*

Table 2 presents the results from the robustness tests carried out on the study variables for the two models. The Jarque-Bera statistics reveal a value of 0.1383 and 0.2541 respectively for Model 1 and Model 2. These values are all greater than 0.05 and therefore implies that the residuals of the two models are normally distributed. Results

further reveal that Model 1 has no heteroscedasticity problems as p-value is greater than 0.05. The presence of heteroscedasticity is evident in Model 2 which reveal a p-value of 0.0478. Both Models have no auto-correlation problems with Durbin Watson statistics estimated at 0.4069 and 0.3166.

**Table 3: OLS Regression Results**

Predictors	Model 1 GDP			Model 2 TOR		
	B	t-test	p-value	$\beta$	t-test	p-value
	F-test=1316.87; p-value=0.00 R <sup>2</sup> =0.9825; Adj R <sup>2</sup> =0.9817			F-test=376.56; p-value=0.00 R <sup>2</sup> =0.9413; Adj R <sup>2</sup> =0.9388		
PPT	0.02	0.87	0.39	0.10	2.71	0.01
Age	0.22	34.64	0.00	0.18	16.81	0.00
$\beta_0$	20.15	53.84	0.00	17.09	26.12	0.00

*Source: STATA Output, Version 16.0*

Table 3 present the regression results for the study models. For model 1, the F-statistics which estimates the combined significance of the predictors in predicting the dependent variable stood at 1316.87 with a p-value of 0.00, which is significant at 5 percent, suggesting the fitness of the model. The R<sup>2</sup> stood at 0.9825 indicating that PPT and Age account for 98.25 percent of changes in GDP. The Adjusted R<sup>2</sup> stood at 0.9817 indicating that when all the predictors of GDP are considered, there will be a 0.08 percent change in the result. Table 3 further suggests that when all

the predictors are held constant, GDP is estimated at 20.15, but a unit change in PPT and Age will lead to a change in GDP to the tune of 0.22 and 0.02. For model 2, the F statistics revealed a value of 376.56 with a p-value of 0.00 which indicates model fitness. The R<sup>2</sup> stood at 0.9844 indicating that PPT and Age account for 98.44 percent of changes in TOR. The Adjusted R<sup>2</sup> stood at 0.9388 indicating that when all the predictors of GDP are considered, there will be a 4.56 percent change in the result.

**Table 4: Test of Hypotheses**

	Hypothesis	p-value		Decision
H <sub>01</sub>	PPT does not significantly affect GDP in Nigeria	0.39	Not Significant at 5%	H <sub>0</sub> Accepted
H <sub>02</sub>	PPT does not significantly affect total oil revenue in Nigeria	0.00	Significant at 5%	H <sub>0</sub> Rejected

*Source: Authors' Compilation (2021)*

#### 4.1 Discussion

Results from the test of hypothesis reveal that PPT does not significantly affect GDP in Nigeria. The result however found that PPT has a positive relationship with GDP. This implies that when government collects more revenue accruing from PPT, they facilitate economic growth. This

however revealed not to be significant owing to the decline that has been witnessed generally from PPT in recent times. Oil revenue which contributed over 70 percent of the country's revenue previously, now contributes an average of 53 percent for 5 consecutive years (2016 to 2020). This however does not support the findings of

Aminu, Ibrahim and Sulu-Gambari (2020), Inimino, Otubu and Akpan (2020), Obaretin and Monye-Emina (2019), Etale and Bingilar (2016), Gopar, Dalyop and Yusuf (2016), Ilaboya and Ofiafor (2014), Abdul-Rahamoh, Taiwo and Adejare (2013) and Jibrin, Blessing and Ifurueze (2012) who submitted that PPT contributes significantly to the GDP of Nigeria. The reason which may be attributed to this finding is that Nigeria is currently experiencing numerous problems ranging from security and health, to education and poverty. These has become more pressing in the last three years (2018 to 2020). In line with the benefits received theory, citizens are more likely to avoid and evade taxes in this current situation Nigeria finds itself in. This is consistent with the submission of Ogbonna and Ebimobowei (2012) who found that PPT does not granger cause GDP in Nigeria.

Although PPT was found not to significantly affect GDP in Nigeria, results from the test of hypotheses revealed that PPT has a positive and significant effect on TOR in Nigeria. From 1981 to 2020, PPT has contributed about 36 percent of the total oil revenue in Nigeria. This further shows the importance of PPT within the Nigerian tax system as an active contributor to the oil revenue component in the country. When PPT increases, the total oil revenue increase thereby providing more funds for the government to fuel economic growth projects in the country. This is in line with the findings of Jibrin, Blessing and Ifurueze (2012) who found that total oil revenue contributes significantly to the revenue needed for economic growth in Nigeria.

### **5.0 Conclusion and Recommendations**

This study was directed to examine the effect of PPT on economic growth in Nigeria. Specifically, we sought to determine the effect of PPT on GDP and as well ascertain the effect of PPT on TOR in Nigeria. Results from the analysis reveal that PPT insignificantly increases GDP in Nigeria. Findings further reveal that PPT significantly increases oil revenue in Nigeria. In line with the findings of the study, we conclude that PPT does not contribute significantly to the GDP of Nigeria. Based on our findings, we recommend that government at all levels should prioritise the needs of the citizens through provision of basic amenities, healthcare, food, security, among other things so as to encourage their level of tax

compliance for more revenue in the country. This profers a symbiotic relationship where the citizens pay taxes because they benefit from the government and the government inturn gain more revenue from their investment in economic growth.

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# Impact of Electricity Supply on The Performance of SMEs in Gwagwalada Area Council, Abuja, Nigeria

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## ABSTRACT

*This study examines the impact of electricity supply on the performance of SMEs in Gwagwalada Area Council, Abuja, Nigeria. Thus, the population of the study is three hundred and eighty-six (386) business owners and employees of small and medium scale enterprises in Gwagwalada Area Council, Abuja. In respect to this, the sample size of the study was calculated using the Taro Yamane (1967) formula and approximately 196 was determined. The sampling technique adopted in this study was the simple random sampling technique. The information being referred to here is the information that enabled the study to test the research hypotheses. Also the statistical tool of frequency tables and percentage were used to present and analyze data collected and also tested the research hypotheses with the Analysis of Variance (ANOVA). Data were collected through primary source. The use of simple percentages and correlation analysis at a correlation significance at the 0.01 level (2-tailed) and also significant at 0.01 level, 0.05 (5%) and 0.1 respectively were used as a relationship determinant between the variables using SPSS Package. The findings revealed that, there is a significant relationship between Epileptic electricity supply and the sales volume (performance of SMEs) in Gwagwalada Area Council, Abuja, Nigeria. Also, secondly, that there is a significant relationship between unstable electricity supply and the profitability (performance of SMEs) in Gwagwalada Area Council, Abuja, Nigeria. Thirdly, that that there is a significant relationship between irregular electricity supply and the productivity of (performance of SMEs) in Gwagwalada Area Council, Abuja, Nigeria. In conclusion therefore, the study highlighted the importance of electricity supply to SMEs and economic development of every nation. The study recommended as thus: Epileptic electricity supply, unstable electricity supply, and irregular electricity supply be tackled sincerely by the contractors, and Government at both Federal, State, and Local Government levels so as to solve the problem of poor electricity supply and enhance economic development in Gwagwalada, the entire FCT-Abuja and Nigeria in general.*

**Key Words:** Electricity Supply, and, SMEs Performance.

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## **1.1 Background of the Study**

The electricity supply whether to large corporations or SMEs is a very critical factor for ensuring performance. Access to a reliable electricity supply is widely considered as vital to the operations of most small and medium-scale businesses. Surveys suggest that, in most developing countries, firms themselves consider access to electricity to be one of the biggest constraints to their business. Inadequate electricity services can constrain business operations because a supply of electricity may simply be unavailable and, if it is available, securing a connection may be difficult and the supply unreliable, even before its cost is considered. High quality and accessible infrastructure encourages productivity, business growth and investment, but when it is poor and unreliable, businesses' productivity and growth suffer. An unreliable electricity supply, epileptic electricity supply, unstable electricity supply, irregular electricity supply, electricity insecurity can affect several aspects of business operations. The most significant impacts to productivity can be due to forced and unexpected halts in manufacturing processes, including running assembly lines, using machine tools, or producing textiles. Communications, delivery times, lighting and refrigeration are also affected by electricity insecurity, with consequences for the routine operation of businesses and their ability to ensure delivery times.

Research on SME problems in Nigeria have so far concentrated on variables such as product and service development challenges, difficulties in accessing finance, competitiveness of SMEs and government policy and intervention in the area of SME development (Abdullah, 2013; Olumuyiwa and Mnse, (2008). While these variables were studied independently, there is a relationship between other variables like the price of energy (electric power) and an SME's capacity to produce optimally, its sales volume and labour cost. For SMEs in particular and for national economic development in general, the activities of electric power providers are vital and they need to be monitored because "in the utilities industry, where fully/sufficiently competitive environments are not achieved, the general public's interests are at risk, either through development in general, the activities of electricity power providers are vital

price exploitation, or through the degradation of quality of supply and customer services" (Chau, 2009).

Nigeria has an abundant supply of energy sources. It is endowed with thermal, hydro, solar, and oil resources, and yet it is described as an energy-poor country because the sector is relatively under-developed. The statistics available show that only about one third of Nigeria or approximately 40 per cent of the population has access to electricity. The distribution of electricity shows great disparities between rural and urban, and between residential and industrial areas in the urban centers (Ali-Akpajia & Pyke, 2003). The very poor quality of electricity supply in recent years has been a major constraint on the performance of most industries in the economy.

In this regard, adequate supply and distribution of electricity constitute a central development issue which cannot be over-emphasized. Apart from serving as the pillar of wealth creation in Nigeria, it is also the nucleus of operations and subsequently the engine of growth for all sectors of the economy (Ayodele, 2001). In recognition of the consolidating linkage between the energy sector and the other sectors of the economy, electricity development and utilization therefore have pervasive impacts one range of socio-economic activities and consequently on the economic progressiveness and wellbeing of citizens of the country. It is in the light of this facts that Okonkwo, (2002) stated that there is a correlation between electricity supply, industrialization, and business growth in Nigeria.

However, Considerable efforts have been made to establish the relationship between energy consumption and economic growth. Very few studies have been carried out to investigate the relationship between the energy sub-sector (electricity supply) and economic development in Nigeria. Even the studies in this energy sub-sector and growth tend to be descriptive (Ayodele, 2001; Adegbulugbe and Akinbami, 2002), while others focus on electricity consumption rather than supply (which is the bane of economic growth). One of the studies (Udah, 2010) that focused on electricity supply suffered from model misspecification. The present study hopes to fill the gap by correctly specifying the model and

assessing the relationship between electricity supply and the performance of SMEs in Gwagwalada Area Council, Abuja, Nigeria.

The role of electricity in Nigeria's economy is prodigiously significant for growth and development. The need for a reliable supply of electricity to the SMEs is indeed an important factor for reducing their alternative cost (Ofosu-Ahenkorah, 2008). This is because there is hardly any type of business in Nigeria that operates without electricity supply. In fact, electricity serves as raw material for most small businesses (Watson, Viney and Schomaker, 2002). However, Nigeria has recorded a very high rate of power instability over the years, and this has been a major panacea in most industries. As a result of this poor electricity supply, epileptic electricity supply, unstable electricity supply, irregular electricity supply, and many small and medium-scale enterprises invest in their own stand-by generators to ensure an electricity supply, but these are often expensive compared to electricity from the grid. Generators also require some technical expertise as well as reliable supplies of fuel and spare parts. Yet, in sub-Saharan Africa and elsewhere own-generation by firms is reported to have increased in recent years.

Small scale businesses investing on alternative sources of electricity supply have discovered that it is quite expensive and, in most cases, capital intensive to operate on a constant generator electricity supply. Incidentally, in Nigeria, electricity as an essential service enjoys protection from competition and consumers really have little or no choice. Economically, this implies that if there are difficulties along the supply chain of electricity, then the nation's growth and development will be vulnerable. Secondly, the interests of the general public, especially those who rely significantly on electricity, will be put to risk through price hikes and "degradation of quality of supply and customer service. This challenge has led to the under-performance of small and medium scale enterprises as businesses suffer in terms of decrease in sales volume, low profit margin and general decrease in productivity. As a result of the above observations, a study of the impact of electricity supply on the performance small and medium scale enterprises (SMEs) is therefore a crucial and necessary step

for informed government action on electricity supply.

The main objective of this study is to investigate the impact of electricity supply on the performance of SMEs in Gwagwalada Area Council, Abuja, Nigeria. The specific objectives are to:

- i. Determine the extent to which epileptic electricity supply affects the sales volume of SMEs in Gwagwalada Area Council, FCT-Abuja
- ii. Examine the degree to which unstable electricity supply influence the profitability of SMEs in Gwagwalada Area Council, FCT-Abuja.
- iii. Investigate how irregular electricity supply affects the productivity of SMEs in Gwagwalada Area Council, FCT-Abuja

The scope of the study covers the impact of electricity supply on the performance of SMEs in Nigeria. This study covered small and medium scale enterprises in the Gwagwalada Area Council, Abuja, Nigeria. This study covers how electricity supply (independent variable) proxied by epileptic electricity supply, unstable electricity supply and irregular electricity supply affects the sales volume, profitability and productivity of small and medium scale (SMEs), (dependent variable) businesses in Gwagwalada, Abuja. The targeted respondents of the study are small and medium scale businesses such as POS retailers, cyber cafes, provision stores, food item retailers, bakery and pastry stores in Gwagwalada Area Council, Abuja, Nigeria.

## **2.0 LITERATURE REVIEW AND THEORETICAL FRAMEWORK**

### **Conceptual Framework**

#### **Concept of Electricity Power Supply**

"Electricity is today's most important energy form for small and medium, and large-scale businesses. Secure supply of electricity at transparent market prices, and high and well-defined quality standards are crucial to economic growth and our whole way of life. Energy supplies have a significant impact on economic activities" (Velasquez and Pitcher, 2010) (as cited by Gbeve,

2015). This is because it is used for diverse purposes extending from production, storage, powering of office equipment and product display. Access to power enlarges the number and diversity of business and job prospects available. Electricity means that businesses, such as hair salons, bakery and welders, all of which rely on energy to function. Energy also leads to the formation of new markets, businesses and job openings, which offer more opportunities for individuals to earn an income and lift them, their families and their communities out of poverty. Electricity provides business owners with access to online information and resources.

### **An Overview of Electricity Power Supply To SMEs In Nigeria**

The National Economic Summit Group (2017) research on the 'Comparison of cost of electricity generation in Nigeria, One hundred million Nigerians, representing 60% of the country's population, have no access to grid electricity. Those who do have grid access experience extremely unreliable supply. Efforts are underway to accelerate the transition to an adequate electricity generation capacity that can meet the current and future demand of Nigerian citizens and their businesses. However, there is as yet no clear vision of what Nigeria's future electricity generation mix can and should be, nor is there a concept of how to align such a vision with the country's sustainable development, industrialization and climate protection goals.

Today's on-grid power generation capacity in Nigeria is dominated by natural gas power stations (86% of capacity) and three large hydropower plants (14% of capacity). On the other hand, off-grid generation occurs almost exclusively via expensive and polluting diesel and petrol generators, of which there are an estimated 60 million in the country (NDC, 2016). Less than half of the Nigerian population has access to electricity, and it is estimated that per capita electricity consumption in Nigeria- currently at 151kWh per year- should be four to five times higher than the current level, when considering latent and suppressed demand.

Currently, there are 23 grid-connected generating plants in operation in the Nigerian electricity supply industry (NESI) with a total installed

capacity of 10,396.0MW and available capacity of 6,056MW. Most generation is thermal based, with an installed capacity of 8,4576MW (81% of the total) and an available capacity of 4,996 MW. (83% of the total). Furthermore, Hydro power form three major plants accounting for 1,938.4 MW of the total installed capacity (an available capacity of 1,060 MW). Of all these generation only about 4000MW is efficiently transmitted as at June 2014 (Arinze, 2014).

On the electricity transmission, transmission system in Nigeria system does not cover every part of the country. It currently has the capacity to transmit a maximum of about 4,000 MW to 7,000 MW and it is technically weak thus very sensitive to major disturbances and challenges. Furthermore, the distribution network is poor, the voltage profile is poor and the billing is inaccurate. Power provides business owners with information that is critical to operating their business successfully, whether that information is about local or national markets, new economic policies or tax regulations. This allows small business owners in rural areas to involve the wider business community and learn best practices from other individuals working in the same industry (Gbeve, (2015) and Andrew et al, (2014)). A lack of a "consistent access to reliable power costs businesses and the economy as a whole. Even with access to energy, unreliable power makes operating a business even more challenging than usual. African manufacturing enterprises experience power outages 56 days a year on average. As a result, firms lose six percent of sales revenues in the informal sector. Where back-up generators are limited, losses can be as high as 20 percent. These losses have severe consequences for the health and growth of the wider economy, not to mention the dramatic impact in achieving other development objectives outlined by the Millennium Development Goals"(Gretchen, 2013).

### **Poor Electricity Supply Categorized**

Poor Electricity supply Categorized in its poor nature is categorized as follows:

#### **a. Epileptic Power Supply**

Epileptic power supply is a situation where by there are poor power outages in an area over a given period of time which at times it may take

the form of low voltage, when there is supply at all. The *Epileptic Nature of Electricity Supply* and its Consequences on Industrial and Economic Performance in Nigeria (Error Correction Model approach).

### **b. Unstable Electricity Supply**

An unstable power supply can cause severe system issues, such as audible noise from the passive components, unexpected jittering in the switching frequency, extreme oscillations on the output voltage during load transient events, and failures in the semiconductor switches.

### **c. Irregular Electricity Supply**

This is when Supply of electricity is not consistent. One of the most common causes of voltage fluctuation is an obstruction in the transmission lines. Obstructions are mostly caused by natural factors such as thunder, lightning, fallen trees and heavy rains. In the case of lightning and thunder, complete power shutdown can be observed. A sudden drop in the voltage can occur if an animal or a bird sits on a power cable. This accidental dip in the voltage level leads to extreme power surges or brownouts. Power surges cause huge damage to electrical gadgets such as televisions, computers and air conditioners. Attaching a voltage fluctuation protection device like Finolex MCBs will help you deal with sudden power surges. The irregular power supply during the brownout can ruin your computer and other electronic devices. Electronics are created to operate at specific voltages, so any fluctuations in power (both up and down) can damage them. Also, when your power eventually comes back, the voltages wildly bounce around for a moment (power surges). Those fluctuations can also harm your electronic devices (Gbeve, (2015) and Andrew et al, (2014))

#### Electricity Demand in Nigeria

Development of the electricity sector has a key role to play in Nigeria's economic-development process. It has the capacity to serve either as a catalyst or a fetter on the wheels of economic development. A careful study of the pattern of electricity consumption vis-a-vis economic growth across different countries shows an oscillation around an initial cluster characterized by low energy consumption, economic stagnation and poor energy infrastructure. By way of

comparison South Africa has 40,000mw for a population of 50million people; Brazil has 100,000mw for a population of 192 million people; USA has 700,000mw for a population of 308 million while Nigeria with a population of over 150 million people only generates 2443mw at peak periods (Ibitoye & Adenikinju, 2007). This translates to very disappointing levels of electricity consumption per capital, thereby leaving our industries to perform at epileptic levels, goods and services to be sold at prices that automatically adjust due to power outages, to account for the expensive cost of production via generating sets and a populace that is unable to take advantage of the latest advances in technology and appliances (Darling et. al. 2008).

For over twenty years prior to 1999, the power sector did not witness substantial investment in infrastructural development. During that period, new plants were not constructed and the existing ones were not properly maintained, bringing the power sector to a deplorable state. In 2001, generation went down from the installed capacity of about 5,600MW to an average of about 1,750MW, as compared to a load demand of 6,000MW. Also, only nineteen out of the seventy nine installed generating units were in operation (Sambo, 2008). As a result of this, less than 45% of the Nigerian population had access to electric power in 2003.

As at 2008 electricity generation ranged from 2500MW to 3500MW out of an installed capacity of 5963MW even with the inclusion of 3 gas powered independent power projects in the Niger Delta region (Bolaji, 2008). As at September 2009, Nigeria's power demand was estimated at 15,000mw but peak generation by PHCN was 2,443mw which was less than 17% of the electricity need (Nasir, 2009). In 2010 the power holding company of Nigeria could only supply 4,320mw of electricity while demand was 10,500mw, leaving an excess demand of 6180mw (Odiaka, 2006). Demand for electricity has grown at a rate of 8.2% per annum since 1984 against GDP growth of about 3.5% and per-capita generation relative to other countries is extremely low (Garba, 2002). It was estimated that an additional 10,000MW in capacity is required to meet the current demand. The country has not been able to meet the current demand for



electricity because the nation's electricity demand continues to grow in response to increasing population, urbanization, improved standard of living and economic development (Sambo, 2008). There is no doubt that expensive and unreliable power remains a major concern to Nigeria's industrial sector and household consumers. Multiple and unpredictable power cuts which have become a daily occurrence in Nigeria often result in equipment malfunctioning of all the sectors of the economy and make it difficult to produce goods and provide services efficiently. Despite the attempts by some firms to supplement power supply by PHCN, electricity demand by consumers, particularly domestic users, has continued to increase.

### **Concept of SMEs in Nigeria**

Small and Medium Scale Enterprises (SMEs) development process continues to be in the forefront of policy debates in developing countries. Small and medium scale enterprises have been generally acknowledged as the bedrock of the industrial development of Nigeria and other countries (Audretsch, Verheul, Wennekers & Thurik, 2002; Stokes & Wilson, 2006 and Hulbert, Gilmore & Carson, 2013). The dynamic role of SMEs in developing countries as engines through which the growth and development objectives can be achieved has long been recognized and stated in the literature. The claimed advantages for SMEs are numerous, including the encouragement of entrepreneurship (Ayesha, 2007; Ayozie & Latinwo, 2010; Safriyu & Njogo, (2012); the greater likelihood that SMEs will utilize labour intensive technologies Salami, 2003; Muritala et al, (2012) and thus have an immediate impact on productivity of SMEs Henriques & Klock, (1999); Udechukwu, (2003); Adenuga and Ochu (2004); Ayozie & Latinwo (2010); Ariyo, (2008); they can usually be established more rapidly and put into operation to produce quick returns; SMEs development can encourage the process of both inter-and intra-regional decentralization Adenuga and Ochu (2004); and, they may well become a countervailing force against the economic power of larger enterprises Salami, (2003). More generally the development of SMEs is seen as accelerating the achievement of wider economic and socio-economic objectives, including poverty alleviation Udechukwu, (2003); Ayozie &

Latinwo, (2010). But in Nigeria, the sub-sector is still faced with a number of constraints with inadequate financial facilities being one of the principal constraints.

According to the United Nations Industrial Development Organization UNIDO (2001), for developing countries, integration into the global economy through economic liberalization, deregulation, and democratization is seen as the paramount way to triumph over poverty and inequality. The importance of this process is the development of a vibrant private sector, in which small and medium enterprises can play a central role. Small and Medium Scale Enterprises occupy a place of pride in virtually every country or state. Because of the significant roles SMEs play in the growth and development of various economies, SMEs have aptly been referred to as "the engine of growth" and "catalysts for socio-economic transformation of any country". The small scale business sector is recognized as an integral component of economic development and a crucial element in the effort to lift countries out of poverty (Wolfenson, 2001). Small scale businesses are driving force for economic growth, job creation, and poverty reduction in developing countries. They have been the means through which accelerated economic growth and rapid industrialization have been achieved (Sausser, 2005; Harris & Gibson, 2006).

Fabayo (2009) says SMEs have been recognized as a feeder service to large-scale industries. SMEs represent a veritable vehicle for the achievement of national economic objectives of productivity of SMEs and poverty reduction at low investment cost as well as the development of entrepreneurial capabilities including indigenous technology. Other intrinsic benefits of vibrant SMEs include access to the infrastructural facilities occasioned by the existence of such SMEs in their surroundings, the stimulation of economic activities such as suppliers of various items and distributive trades for items produced and or needed by the SMEs. Another benefit is the enhancement of standard of living of the employees of SMEs and their dependants stemming from rural urban migration. Small and medium scale enterprises (SMEs) have been recognized as indispensable components of

national development in both developed and developing economies.

Obitayo, (2001) stated that SMEs are noted for their immense contributions to the development processes and as the engine of growth. They are promoted as a critical segment of the manufacturing sub-sector as an effective strategy for tackling unemployment, diversifying output and achieving trade and balance of payment. He further opined that successive Nigerian Governments had recognized the strategic importance of SMEs since independence. Udechukwu, (2003) argued that a major gap in Nigeria's industrial development process has been the absence of a strong and virile small and medium enterprises sub-sector. The growing concern about unemployment among the youth especially graduates of tertiary institutions and diminishing growth potentials in the economy have further drawn increased attention to the need to ensure the survival and growth of SMEs. Small scale businesses in Nigeria constitute over 80 percent of all registered companies, occupying positions in agro based and allied industries, rubber -based, leather shoes industries, chemical, electronics, and general merchandising.

### **Theoretical Framework**

This study is underpinned by two theories namely: the Business Growth Theory and Keynesian theory. They are as follows:

#### **1. Business Growth Theory**

Churchill and Lewis (1983) as cited in Olawale & Garwe (2010) on the other hand claim that as a new small firm starts and develops, it moves through some growth stages, each with its own distinctive characteristics. These authors also identified the stages of growth as; existence, survival, success, take-off and resource maturity. In each stage of development as different set of factors is critical to the firm's survival and success. The Churchill Lewis model gives an insight into the dynamics of SME growth, including the distinguishing characteristics, problems and requirements of growing SMEs and explains business growth processes amongst SMEs. The precise moment in time in which a start-up venture becomes a new business has not yet been theoretically determined. However, the idea of business survival could be equated with a firm

that has fully completed the transaction to stage-two organization in the five stages of small business growth. Therefore, in country like Nigeria where both private and public sectors are highly complementary, the lack of government intervention in an economic activities will always constitute an impediment to Small and Medium Scale Enterprises growth. Therefore, government intervention is crucial determinant factor in the growth of SMEs. This is serious issue when viewed from the perspective of this study.

#### **2. Keynesian Theory**

Keynesian theory is considered to be more appropriate in this study. This theory offers useful insight to the understanding of the effect of government intervention in term of regulating the supply of electricity to the SMEs. The major advantage of this theory is its ability to provide the important of government involvement in the economic activities. The Keynesian economics argue that private sector decisions sometimes lead to inefficient macroeconomics outcomes and therefore advocate mixed economy, predominantly private sector, but with a large role of government and public sector.

#### **3. Theoretical Bases of the Study**

This study adopted the “**Keynesian theory**” because, it is considered to be more appropriate in this study. This theory offers useful insight to the understanding of the effect of government intervention in term of regulating the supply of electricity to the SMEs. According to Brown, Medott and Hamiton (1990), Many Small firms are created as a last resort rather than as first choice and have therefore invited growth potential. Therefore, in country like Nigeria where both private and public sectors are highly complementary, the lack of government intervention in an economic activity will always constitute an impediment to Small and Medium Scale Enterprises growth. Therefore, government intervention is crucial determinant factor in the growth of SMEs. This is serious issue when viewed from the perspective of this study.

#### **Empirical Review**

The evidence of a productivity effect from electricity on micro-enterprises is less clear. Electrification has been found to have a small but



significant impact on sales by microenterprises (World Bank, 2008), but a study of informal enterprises in West African cities found no systematic effect on profits (Grimm et al., 2011).

Electricity access does not automatically lead to intended results such as increased productivity, profits and income (Attigah & Mayer-Tasch, 2013). The existing conditions in areas undergoing electrification help determine the kind and scale of impacts that electricity can be expected to bring (Pueyo, 2013), and the full potential economic impact of electricity can be exploited only if essential preconditions are met, such as firms' endowment of adequate capital, access to markets and transport infrastructure (Attigah & Mayer-Tasch, 2013).

However, Reinikka et al (2002) found that unreliable and inadequate electric power supply (which compelled firms to invest in back up generations) greatly reduces firms' investment in other productive activities. In Nigeria, it has been estimated that firms self-generate their electricity at a cost that ranges between 16 to 30 times higher than the publicly provided electricity (UNDP/World Bank, 2010). Adenikinju (2005) analyzed the economic costs of power outages in Nigeria using the revealed preference approach. He estimated the marginal cost of power outages to businesses in Nigeria to be in the range of \$0.94 to \$3.13 per kWh of lost electricity.

Thus the unreliable supply of electricity imposes enormous costs on the firm. Such costs include raw materials damages, equipment spoilage and loss of productive man-hours and forgone sales, disruption of production, reduced profits and management attention among others. As a strategy of mitigating the costs of unreliable or inadequate power supply firms invest in back up facilities to generate owned electricity in house. As a result many firms are forced to maintain back-up generation capacity. However self-generation of electricity generally costs more than the grid supplied electricity. This cost differential limits the potentials of self-generation as a permanent substitute or solution to power supply unreliability (Ahmed, 2015) (as cited by Kamara, 2017).

Frederick and Josephine (2016) studied the effect of power supply on the performance of small and medium sized enterprises in Tema and the

northern part of Ghana. Their study used the 2013 World Bank enterprise survey on Ghana which consists of 710 firms and employed both chi-square and t-test to do pattern analysis. The results show that, the presence of power outages, thus, the number of times power outages experienced and hours of power outages negatively affected firms' performance (profitability). In addition, it was further realized that power outages (power interruptions) severely affects SMEs located in the Northern part of Ghana than SMEs located elsewhere.

Likewise, a qualitative survey in the Kumasi metropolis by Braimah and Amponsah (2012) revealed that blackouts last about 10.3 hours in a month on average. As a result of the power outages, 44% of the 320 SMEs surveyed spent the duration of the power outage in redundancy while the remaining 56% owned alternative sources of electricity (generators) which cost Ghc 15.5 per month to run on average. The paper resolved that frequent blackout increased the cost of production of SMEs and affected the effectiveness of meeting contract deadlines.

Cissokho and Seck (2013), on the other hand, found that power outage duration had a positive and significant impact on productivity, as measured by technical efficiency, of SMEs. Just like productivity, the cost efficiency of SMEs was also found to have a positive and significant relationship with the duration of power outages. However, scale efficiency of SMEs was negatively affected by the both the frequency and duration of power outages.

In terms of access to electricity services, research paper by Maleko (2005) looked at it on micro enterprises in rural areas within the Kilimanjaro region. He asserted that the availability of grid electricity services in rural areas supported the development of micro enterprises but at a slow rate. He also revealed that the structural set-up of micro-enterprises were directly affected by the arrival of electricity services and cited instances whereby mills with a diesel powered motor switched to an electrically power one.

However, Ahmed and Mallo (2015) in their research work titled: Impact of deficient electricity supply on the operations of small scale businesses in North Eastern Nigeria. The study

used sample selected through the use of stratified random sampling to ensure effective representation of the population of SMEs in the north eastern Nigeria. The data collected was subjected to descriptive analysis while the simple bivariate regression analysis was used as the inferential analysis. Results from the data analysis indicates the severity of electricity supply outages and the costs imposed by power supply outages on the operation of this class of businesses in the region.

Lee, Anas, Verma and Murray, (1996) in their study of reasons for self-generation of electricity by manufacturing firms in Nigeria, Indonesia and Thailand found that because of economies of scale in internal electricity generation enjoyed by larger firms, small scale businesses are at disadvantage and therefore suffer more from electricity supply unreliability than larger firms. Idah, (2009) undertook an empirical study on the effect of electricity supply on industrial development in Nigeria and found that the dismal performance of the electricity sector has contributed in retarding the industrial development of Nigeria. He therefore concluded that fixing the electricity sector is central to the realization of industrial development of Nigeria.

### **Existing Gap**

The literature review focused on the concept of issues around SMEs to serve as a foundation for understanding the nature of SMEs, characteristics of SMEs in Nigeria, the problems faced by SMEs on their operational basis as well as the roles they play in economic growth and development. Literatures reviewed cuts across Nigeria and other parts of the world from Reinikka et al (2002), Frederick and Josephine (2016), Braimah and Amponsah (2012), Cissokho and Seck (2013), Maleko (2005), Ahmed and Mallo (2015), and Verma and Murray, (1996). The review also focused on electricity generation and distribution in Nigeria as well as the roles of electricity in businesses. While taking account of the Business Growth theory and the Keynesian theory of government intervention as the theoretical framework, the study also pointed to some empirical reviews around electricity distribution and SMEs in Nigeria.

## **3.0 METHODOLOGY**

### **Research Design**

The study employed a survey research method which involves questionnaire and personal interview with respondents. This choice was made due to the fact that the survey method is effective when it comes to getting opinions, attitudes and descriptions as well as getting cause and effect relationship.

### **Population of the Study**

Population is the entire number of the members or elements in which the researchers are interested. In other words, it implies a set of all possible causes of interest in a given research activity. Thus, the population of the study is three hundred and eighty six (386) business owners and employees of small and medium scale enterprises in Gwagwalada Area Council, Abuja.

### **Sample Size and Sampling Technique**

Sample refers to the selected members of the entire population for use in the study. It is a sub group of observation from a large population in order to make inferences about the characteristics of the large population. In respect to this, the sample size of the study was calculated using the Taro Yamane (1967) formula as follows:

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

$$n = \frac{386}{1 + 386(0.0025)}$$

$$n = \frac{386}{1 + 0.965}$$

$$n = \frac{386}{1.965}$$

$$n = 196.44$$

The sample size of the study is approximately 196. Therefore, the sample size consists of one hundred and ninety six (196) business owners and employees of small and medium scale enterprises in Gwagwalada Area Council, Abuja.

The sampling technique adopted in this study was the simple random sampling technique. The simple random sampling technique was utilized because it gives every member of the population an equal chance of being selected.

**Methods of Data Analysis**

Analysis of data refers to those techniques whereby the investigator extract from data or information that was not apparently there before and which would enable a summary description of the subject studied to be made. The information being referred to here is the information that enabled the study to test the research hypotheses. Also the statistical tool of frequency tables and percentage were used to present and analyze data collected and also tested the research hypotheses with the Analysis of Variance (ANOVA).

**4.0 DATA PRESENTATION AND ANALYSIS**

The data presented here are those collected from the field survey on the effect of multiple taxation on geared towards testing the research hypotheses leading to drawing conclusions, recommendations and suggestions.

**Test of Hypotheses**

**Test of Hypotheses One**

**H<sub>01</sub>:** Epileptic electricity supply does not have a significant impact on the sales volume of SMEs in Gwagwalada Area Council, FCT-Abuja.

		epileptic electricity supply	sales volume of SMEs
epileptic electricity supply	Pearson Correlation	1	.341**
	Sig. (2-tailed)		.000
	N	196	196
sales volume of SMEs	Pearson Correlation	.341**	1
	Sig. (2-tailed)	.000	
	N	196	196

**Table 4.1: Correlations**

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

The Correlation analysis showed the relationship between epileptic electricity supply and the sales volume of SMEs in Gwagwalada, Abuja. From the table above, the relationship between epileptic electricity supply and the sales volume of SMEs in Gwagwalada, Abuja was investigated using Pearson product-moment correlation coefficient. Preliminary analyses were performed to ensure no violation of the assumptions of normality, linearity and homoscedasticity. There was a positive correlation between the two variables,  $r = 0.363$ ,  $n = 196$ ,  $p < 0.01$ , thus epileptic electricity supply has a significant impact on sales volume of SMEs in Gwagwalada, Abuja. Therefore we reject the null hypothesis and accept the alternate hypotheses.

**Interpretation of Results:** Findings from this study showed that epileptic electricity supply significantly affects the sales volume of SMEs in Gwagwalada, Abuja. That is, the epileptic ways in which the Power Holding Company of Nigeria supplies electricity to SMEs has a negative significant impact on the sales volume of the businesses.

**Test of Hypotheses Two**

**H<sub>02</sub>:** Unstable electricity supply does not have a significant impact on the profitability of SMEs in Gwagwalada Area Council, FCT-Abuja

**Table 4.2: Correlations**

		Unstable electricity supply	profitability of SMEs
Unstable electricity supply	Pearson Correlation	1	.461**
	Sig. (2-tailed)		.000
	N	196	196
profitability of SMEs	Pearson Correlation	.461**	1
	Sig. (2-tailed)	.000	
	N	196	196

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

The correlation analysis showed the relationship between Unstable electricity supply and the profitability of SMEs in Gwagwalada, Abuja. From the table above, the relationship between Unstable electricity supply and the profitability of SMEs in Gwagwalada, Abuja was investigated using Pearson product-moment correlation coefficient. Preliminary analyses were performed to ensure no violation of the assumptions of normality, linearity and homoscedasticity. There was a correlation between the two variables,  $r = 0.461$ ,  $n = 196$ ,  $p < 0.01$ , thus Unstable electricity supply has a significant relationship with the profitability of SMEs in Gwagwalada, Abuja. Therefore we reject the null hypothesis and accept the alternate hypotheses.

**Interpretation of Results:** Findings from this study showed that Unstable electricity supply has a significant impact on the profitability of SMEs in Gwagwalada, Abuja. That is, the poor and unstable supply of electricity significantly affects the profitability of SMEs in Gwagwalada, Abuja.

**Hypotheses Three**

**H<sub>03</sub>:** Irregular electricity supply does not have a significant impact on the productivity of SMEs in Gwagwalada Area Council, FCT-Abuja

**Table 4.3: Correlations**

		Irregular electricity supply	productivity of SMEs
Irregular electricity supply	Pearson Correlation	1	.754**
	Sig. (2-tailed)		.000
	N	196	196
productivity of SMEs	Pearson Correlation	.754**	1
	Sig. (2-tailed)	.000	
	N	196	196

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

The correlation analysis showed the relationship between Irregular electricity supply and the productivity of SMEs in Gwagwalada, Abuja. From the table above, the relationship between Irregular electricity supply and the productivity of SMEs in

Gwagwalada, Abuja was investigated using Pearson product-moment correlation coefficient. Preliminary analyses were performed to ensure no violation of the assumptions of normality, linearity and homoscedasticity. There was a correlation between the two variables,  $r = 0.461$ ,  $n = 196$ ,  $p < 0.01$ , thus Irregular electricity supply has a significant relationship with the productivity of SMEs in Gwagwalada, Abuja. Therefore we reject the null hypothesis and accept the alternate hypotheses.

**Interpretation of Results:** Findings from this study showed that Irregular electricity supply has a significant impact on the productivity of SMEs in Gwagwalada, Abuja. Thus, the irregular supply of electricity significantly affects the productivity of these businesses as their day to day business activities depends on electricity.

**Discussion of Major Findings**

**Hypotheses One:** Results in hypothesis one shows that there is a correlation between the two variables,  $r = 0.363$ ,  $n = 196$ ,  $p < 0.01$ , thus epileptic electricity supply has a significant relationship with the sales volume of SMEs in Gwagwalada, Abuja. The study asserted that the epileptic ways in which the Power Holding Company of Nigeria supplies electricity to SMEs has a negative significant impact on the sales volume of the businesses. This study agrees with the work of Reinikka et al (2002), Frederick and Josephine (2016), and Braimah and Amponsah (2012).

**Hypotheses Two:** Results from hypothesis two revealed that there was a correlation between the two variables,  $r = 0.461$ ,  $n = 196$ ,  $p < 0.01$ , thus Unstable electricity supply has a significant relationship with the profitability of SMEs. This finding alluded that the poor and unstable supply of electricity significantly affects the profitability of SMEs in Gwagwalada, Abuja. This research is inline with the studies conducted by Cissokho and Seck (2013), Maleko (2005), Ahmed and Mallo (2015), and Verma and Murray, (1996).

**Hypotheses Three:** Results from hypothesis two revealed that there was a correlation between the two variables,  $r = 0.754$ ,  $n = 196$ ,  $p < 0.01$ , thus Irregular electricity supply has a significant relationship with the productivity of SMEs in Gwagwalada, Abuja. This implies that irregular supply of electricity significantly affects the

productivity of these businesses as their day-to-day business activities depends on electricity. This research is in line with the studies conducted by Cissokho and Seck (2013), Maleko (2005), and Braimah and Amponsah (2012).

## **5.0 CONCLUSION AND RECOMMENDATIONS**

### **Conclusion**

In a country like Nigeria where majority of youths are unemployed, it is expected that availability of electricity will encourage the establishment of many small and medium scale businesses. Constant or stable power supply will ensure good return on investment. Hence, this study is timely in investigating the impact of electricity supply on the performance of small and medium scale enterprises in Gwagwalada, Abuja. Although the correlation result shows a negative relationship between power supply and the performance of small and medium scale enterprises in Gwagwalada, Abuja which indicates that if power outages become enormous, small and medium scale businesses end up devising strategies to mitigate against the negative effect of power interruptions and to make profit as well. This may imply that well minded small and medium scale businesses ought to devise strategies to circumvent around power outages impact.

### **Recommendations**

The research recommended as follows:

- i. The authority should make power supply i.e. electricity very stable because many lives and businesses depend on it for survival and it is the life-wire of businesses especially the small and medium scale businesses in Nigeria, in general and Gwagwalada Area Council, Abuja in particular, so as to significantly improve the sales volume of businesses.
- ii. Government should create the environment to enhance private sector participation in the power sector to boost competition and efficiency in the supply of power for the firms. This will in no small way contribute to increase in profitability of SMEs in the long run.
- iii. Finally, SMEs should consider devising

strategies such as resulting to power back-ups in any forms in their industries to ensure continual production in cases where power outage occurs. This in no small way reduces profit loss and increase productivity (reduce the operational cost) due to power interruption.

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